

The **NATIONAL UNDERWRITER**



These are days for



ACTION

on the Agency Front

We're believers in "putting first things FIRST." That's why we set out long ago to *do something* about the lost premiums which confronted all casualty agents as a result of the war. We could have taken an "attitude" that this is wartime and premium losses had to be expected. But instead, we took "action" to replace the lost premiums and even surpass them, for American Casualty Agents. During the past year we've succeeded in brightening the picture on our Agency Front, by winning enthusiasm and sales from our agents everywhere with our policy of wartime "action."

Capital, \$1,000,000.00



American Casualty Company

OF READING • PENNSYLVANIA

H. G. EVANS, President



CASUALTY • FIDELITY • SURETY



THURSDAY, OCTOBER 21, 1943



Carelessness—one of the chief causes of loss by fire—is helping the enemy! It is your patriotic duty, as a good citizen and a good agent, to combat this menace to war activities during National Fire Prevention Week and throughout the year.



CRUM & FORSTER

MANAGERS



110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co.	Organized 1824	Richmond Insurance Co.	Organized 1836
The North River Insurance Co.	Organized 1822	Western Assurance Co., U. S. Branch	Incorporated 1851
Westchester Fire Insurance Co.	Organized 1837	British America Assurance Co., U. S. Branch	Incorporated 1833
The Allemannia Fire Insurance Co. of Pittsburgh	Organized 1868	Southern Fire Insurance Co., Durham, N. C.	Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

Chas. C. Hannah New President of Fireman's Fund

**Page Succeeds Levison as
Chairman—Crafts,
Goodwin Are Advanced**

SAN FRANCISCO—Charles C. Hannah has been elected president of the Fireman's Fund group succeeding Charles R. Page who becomes chairman of the board. Mr. Page, as chairman, succeeds J. B. Levison who, at his own request, retires after 53 years in the service of Fireman's Fund and after 65 years in the business. Mr. Levison



CHARLES C. HANNAH

will, however, retain membership on the board.

James F. Crafts, second vice-president stationed at the eastern department headquarters in Boston, was elected first vice-president. Richard V. Goodwin, second vice-president in charge of indemnity operations in New York City, was elected first vice-president of Fireman's Fund Indemnity and Western National Indemnity.

Hannah's Career

Mr. Hannah joined Fireman's Fund in 1922 as assistant manager of the eastern department in Boston, becoming manager of that office six years later and second vice-president in September, 1937. He assumed executive duties at the head office in 1938 and was named first vice-president in January, 1940. A native of Paterson, N. J., Mr. Hannah began his insurance career as a junior clerk in the New York office of North British & Mercantile.

Mr. Crafts, a native of East Orange, N. J., joined Fireman's Fund as assistant manager of the eastern department in 1930 and succeeded Mr. Hannah as manager in 1938. In December, 1941 he was elected second vice-president. Prior to joining Fireman's Fund he was with Queen for 14 years. Mr. Crafts will continue to be located in Boston but will also maintain headquarters in the New York City office. Mr. Goodwin has been second vice-president of the

(CONTINUED ON PAGE 14)

Announce Program for Indiana Agents

**Schedule of Events
for the Annual Meeting
Is Interesting**

The program for the annual meeting of the Indiana Association of Insurance Agents has been completed. It will be held at the Claypool hotel, Indianapolis, Oct. 25-26. Fred C. Richardt of Evansville is president and Harry E. McClain of Indianapolis, executive secretary. The advance registration is the largest in the history of the organization. A few years ago registration amounted to 1,047.

The first session will open at 9:30 a.m., Oct. 26. Commissioner Viehmann of Indiana will give the address of welcome. President Fred C. Richardt will present his annual report and announce committee appointments.

Schedule Three Speakers

There will be three formal addresses at that session. Hubert S. Ellis of Huntington, congressman from the fourth West Virginia district and former secretary of the West Virginia Association of Insurance Agents, will speak on "We Have Decisions to Make;" J. Raymond Berry, general counsel of the National Board, on "A Stranger Looks at the Fire Insurance Business," and R. T. Cawthon, manager Tennessee Association of Insurance Agents, on "The State Association in a World at War."

A session for agents only will be held that afternoon, with Harry E. McClain, executive secretary, presiding. Reports of officers and committees will be presented and new officers will be elected. There also will be an open forum, "A Program of Preparedness and Service for Victory."

The annual dinner will be held Tuesday evening, with President Richardt presiding. The William C. Myers local board trophy will be awarded and James E. Gheen, humorist and professional after-dinner speaker, will be heard.

The session Wednesday morning, Oct. 27, will open with a rural agents breakfast. At the regular session Ray Murphy, assistant general manager Association of Casualty & Surety Executive, will speak on "The Insurance Industry at War" and Hunter Brown, Pensacola, Fla., National association ex-

Sept. Fire Losses Increase 29%

NEW YORK—Estimated fire losses of \$26,488,000 in September in the United States represented an increase of \$6,045,000 or 29% over losses in September, 1942, according to the National Board. September losses were the highest for any corresponding month since September, 1932, when they totaled \$30,972,000. September also was the eighth consecutive month this year to register an increase in losses over the corresponding month of 1942.

Losses in September, however, represented a decrease of 9% from losses of \$29,193,000 reported in August this year. For the first nine months of this year losses are estimated at \$271,211,000, an increase of \$39,596,000 over the same period last year. Losses for each of the first nine months in 1941, 1942 and 1943 are given below:

	1941	1942	1943
Jan.	\$26,470,000	\$35,565,000	\$27,733,000
Feb.	26,102,000	30,819,000	33,175,000
Mar.	31,471,000	30,505,000	29,214,000
Apr.	29,330,000	27,960,000	34,241,000
May	25,637,000	23,233,000	29,297,000
June	24,943,000	22,410,000	26,854,000
July	23,698,000	21,000,000	25,016,000
Aug.	24,122,000	19,680,000	29,193,000
Sept.	24,668,000	20,443,000	26,488,000

Wash. Governor for Van Nuys Bills

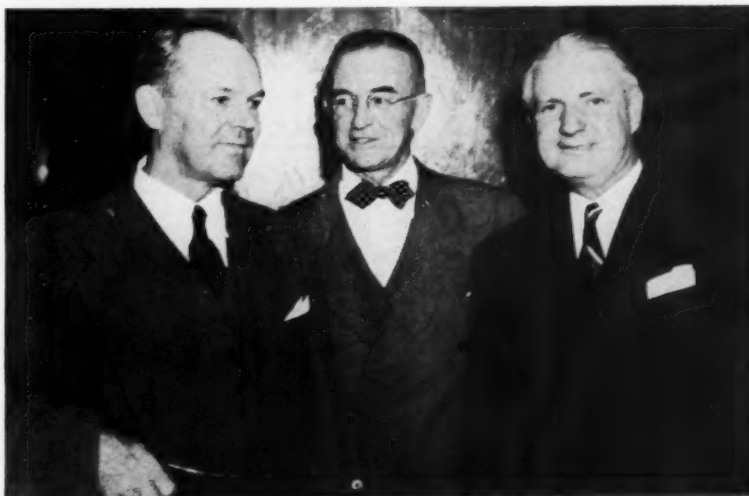
SEATTLE—In an editorial attack upon proponents of federal control of insurance, the Seattle "Star" revealed that Governor Langlie of Washington had written to congressional sponsors of the bills to exempt insurance from the federal anti-trust laws and has also urged the Washington congressional delegation to get behind the measures.

The "Star" states that "the federals are trying to stage another raid on local power."

"Selfishly, the state of Washington is against the move. Its insurance department netted \$1,638,802 in 1941, \$1,868,811 in 1942. That amount, or at least a large portion of it, would be taken from the general fund annually if control was wrested from it. It would be just another source of revenue from the state and into Washington, where it would be gobbled up."

"There is just as much sense in removing insurance control to Washington as there would be to remove school control."

Executive committee member, on "Where Are You Going, Mr. Agent?"



J. H. Ledbetter, associate manager of Hartford Fire, Atlanta; Spencer Welton, vice-president of Massachusetts Bonding, Chicago, and John E. O'Neil, partner in the Fairfield & Ellis general agency, Boston, shown at the National Association of Insurance Agents convention in Pittsburgh.

Anti-Trust Bill Sponsors Speak at First Hearing

**Statements Vigorous
—to Hear Justice Depart-
ment Oct. 27**

By ROBERT B. MITCHELL

WASHINGTON—A vigorous statement by Senator Bailey of North Carolina in favor of the bills specifically to exempt insurance from the federal anti-trust laws was the principal feature of the hearing before the subcommittee of the Senate judiciary committee Wednesday. Other committee members present, Senators McCarran of Nevada and Ferguson of Michigan and also Chairman Sumners of the House judiciary committee and representative Hancock of New York, co-author of the companion house bills, spoke favorably on the bills when Chairman Van Nuys of Indiana called on them after Senator Bailey had read his statement.

No one was heard in opposition to the bills, but Senator Van Nuys announced that at the next hearing, Oct. 27, Attorney General Biddle or his representative will talk on the measure. The Justice Department is opposing the bills. According to department officials the attorney general himself will present the department's views.

Many fire insurance officials were on hand, including President E. L. Williams of the Insurance Executives Association, John M. Thomas, president National Union and president National Board of Fire Underwriters; J. Raymond Berry, general counsel of the National Board; President George Long of Phoenix of Hartford; Vice-president Esmond Ewing of Travelers Fire, and J. R. Cooney, president of Firemen's.

Statement of Bailey

"Insurance business is not commerce, and neither people, Congress nor court have so considered it," Senator Bailey declared in his statement. "The proposed bill asserts the historic American position and is put forward now only because the Department of Justice is seeking to reverse the historic view and policy a declaration by Congress is in order."

"The supervision of insurance is reserved to the states and their powers of regulation are as extensive and full as the police powers of the states. They have successfully discharged their respective functions in supervision and regulation of the insurance business. Their long established and successful systems, built up on sound experience, ought not to be replaced by a new, untried and experimental federal system. We assume a greater risk than we think in attempting to do so, and the Supreme Court has suggested as much."

Cites Law and Custom

"It is not contended that the insurance business ought not to be supervised and regulated. Nor is it contended that if abuses exist they ought not to be corrected. The contention is that the several states are better prepared to correct such abuses and have more power to correct them than the federal government, and that they have right to this field by law and by custom. The federal government will do well to preserve our

(CONTINUED ON PAGE 10)

Garrison of Cal. Flays Federal Control Attempts

Analyzes Strategy Used by Opponents of State Control

SAN FRANCISCO—Whether or not insurance shall continue to be conducted as a private enterprise will depend upon the foresightedness of those charged with its conduct and their ability to keep abreast of the social advancement made by society while at the same time protecting the business from unwarranted attacks, Commissioner Garrison of California declared at a luncheon here in his honor. Over 500 attended, including insurance executives, producers, organization heads, business leaders, state and city officials.

Promising strict enforcement of state regulations, Mr. Garrison stated, "the value of your insurance department to your business bears an exact ratio to the extent and care with which the state laws are enforced, for without that enforcement individuals become lax and indifferent with the result that unethical practices become common and the criticism justified. I propose that the laws be administered not only fairly and impartially, but at the same time strictly and completely. Were this not done, it would mean a betrayal not only of the obligation to the public, but to the ideal of private enterprise. Only through private enterprise can we save our democratic way of life."

Under Serious Attack

In considering the future of the business, Mr. Garrison warned, that the insurance business, as it is now conducted, is under serious attack, "not by harmless, idealistic dreamers, but by powerful, determined men," he declared.

"The motives and the ultimate objectives of the federal agencies and interests responsible for the institution of these actions have never been expressly declared. Therein lies the danger. It may be that some of us have assumed that they represent efforts toward regulation. If so, there must be an awakening. The true objectives and the sure result of these attacks, if successful, would not be regulation but utter destruction of the insurance business as a free enterprise.

"Some thought should be given to the kind of men arrayed against us, the strategy they are likely to employ and the objectives they may seek to attain. I think our antagonists may be divided into three groups: First, there are those who want the federal government to directly and openly go into the insurance business. This program already has been acted upon in some fields and two bills now pending in Congress are illustrative of this effort.

Would Replace Private Cover

"Second, there are those who favor the replacing of private insurance protection through a gradually expanding program of social security legislation. And third, there are those who would approach the same objectives by the more subtle but equally effective method of taking over from the states the right to control and regulate the business of insurance.

"In the first group will be found those determined but unsound individuals who, while not admitting their communistic and socialistic leanings are, nevertheless, very frank and loud in their advocacy of certain radical steps. These,



IN ATTENDANCE AT N.A.I.A. MEETING IN PITTSBURGH:

Top—William H. Scott, Baltimore, treasurer Maryland Association of Insurance Agents, and Albert Geiger, Baltimore.

Center—W. H. Menn, Los Angeles, past president N.A.I.A., Carleton Fisher, Providence, vice-president Rhode Island association, and Ed. H. Moore, Birmingham.

Bottom—Howard Bradshaw, Delphi, Ind., C. D. Friday, Osceola, president Iowa Association of Insurance Agents; Guy Rolien, Milaca, Minn., and George E. Clark, Lisbon, N. H.

if taken, would revolutionize our form of government.

"In the second group will be found those, who for one reason or another, have come to the opinion sometimes

even honestly, that our government is some kind of an all-wise, beneficent patron, from which nothing but good can come, and that the more control

(CONTINUED ON PAGE 14)

THIS WEEK IN INSURANCE

C. C. Hannah is elected president of Fireman's Fund; Charles R. Page becomes chairman; James F. Crafts, first vice-president, and J. B. Levison retires from active business after 65 years in the insurance field. **Page 1**

Program for the annual meeting of the Indiana Association of Insurance Agents is announced. **Page 1**

Radar will avert many collisions at sea and result in lower marine insurance rates, W. D. Winter, president Atlantic Mutual, tells merchant marine conference. **Page 3**

Interstate Commerce Commission holds hearing in New York on questions pertaining to insurance coverage for freight forwarders. **Page 4**

J. Donald Whelehan, New York deputy insurance superintendent, will become assistant to Home's general counsel. **Page 4**

Mid-western agency conference held a session in Pittsburgh under the leadership of George W. Carter of Detroit. **Page 3**

Plans are now being formulated for the "Mickey" Forshay memorial fund. **Page 3**

Public relations forum brilliant success at close of Pittsburgh meeting of National Association of Insurance Agents. **Page 2**

Agency operation and management was the subject discussed by three group sessions at the National Association of Insurance Agents convention at Pittsburgh. **Page 21**

McCormack-Hobbs controversy as to compensation rate making continues with a further letter from Commissioner McCormack of Tennessee to C. W. Hobbs. **Page 23**

Program for the annual meeting of the Massachusetts Association of Insurance Agents to be held at Springfield is announced. **Page 40**

Company spokesmen at hearing before insurance commissioners' group in New York oppose any requirement that special reserves be set up to take care of possible war risk liability. **Page 21**

Byrd's Talk Closes Outstanding Agents' Meet at Pittsburgh

Resolutions Problem and Public Relations Forum Feature Final Session

The meeting of the National Association of Insurance Agents at Pittsburgh last week closed on a high note. The Pittsburgh hosts did a remarkable job bringing in an overflow crowd of Pittsburgh business leaders to hear the public relations forum, featuring Senator Harry F. Byrd of Virginia, so the final session presented an agreeable contrast to the usual corporal's guard on hand to witness the installation of officers. The unanimous feeling was that the new constitution has worked splendidly, that David A. North, New Haven, had been an outstanding president and that the association is in good hands with President Fred A. Moreton, Salt Lake City, and Vice-president W. Ray Thomas, Pittsburgh, at the helm.

Both new officers made excellent impressions in their brief talks of acceptance. Mr. Thomas's obvious sincerity in asking for the cooperation of all during what may be one of the most crucial periods of American history was the subject of much favorable comment after adjournment, while Mr. Moreton won acclaim by his handling of a difficult situation arising out of a proposed resolution on gossip recently passed around by radio commentators and columnists.

RESOLUTION DEBATE

When Alvin S. Keys, Springfield, Illinois national state director and chairman of the resolutions committee, was called upon to report, a resolution was offered stating that the National association had nothing to do with the \$700,000 "slush fund" which these sources have charged is being spent in Washington to put over the Van Nuys-Bailey bill. Wade Fetzter, Jr., Chicago, who had been awarded the Woodworth Memorial for outstanding service to insurance, opposed the resolution from the floor, saying that any such recognition of irresponsible charges by an organization of the standing of the National association would play right into the hands of commentators and "keyhole peepers." This resolution was backed by the Missouri association, because of direct inquiries made by officials, and had been the subject of hot debate before the closed meeting of the National Board of State Directors. The majority present agreed with Mr. Fetzter and the resolution was defeated by a one-sided vote. Despite the overwhelming feeling that Mr. Fetzter's position was unassailable, it was obvious that many people felt that the National association was in the position of a man who refused to deny that he beat his wife and the situation called for clarification.

Mr. Moreton met the test in his acceptance speech, saying that it is not the wish of the National association to dignify a malicious rumor by passing a resolution on it, but that the National association under no circumstances would approve the expenditure of any money improperly to influence legislation. "Let there be no misunderstanding about that," he said, "and when you return to your homes you can so advise anyone and everyone."

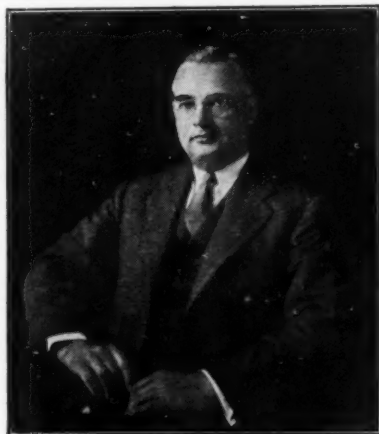
There might have been a split over the vice-presidency, but Hunter Brown,

(CONTINUED ON PAGE 15)

Says Radar Will Avert Collisions, Cut Marine Rates

President W. D. Winter of Atlantic Mutual Leads Panel Discussion

NEW YORK—Radar and other devices developed because of the war should result in reduced ocean marine insurance rates by reducing accidents at sea, as should the quality of new ships and the type of officer material being attracted to the merchant marine, W. D.



W. D. WINTER

Winter, president of Atlantic Mutual, said in his remarks as discussion leader of the marine insurance panel of the American Merchant Marine Conference and the Propeller Club of the United States. Radar, the device by which aircraft or ships can be located at a distance even though concealed by fog or darkness, should be particularly helpful in preventing collisions due to fog, Mr. Winter pointed out.

Mr. Winter made it clear that it is not the marine insurance practice to anticipate the effect of such improvement but said that once the experience has

(CONTINUED ON PAGE 12)

Plans Made for "Mickey" Forshay Memorial

Those attending the annual banquet of the National Association of Insurance Agents at Pittsburgh were greatly interested in the announcement made by President David A. North stating that a spontaneous, voluntary movement had arisen to provide some suitable memorial in tribute to the late "Mickey" Forshay of Anita, Ia., who at that time was immediate past president. He was endeared to thousands throughout the land. He died suddenly at his home at the very zenith of his potential usefulness.

A special committee was gotten together consisting of C. Stanley Stults, Hightstown, N. J., chairman; Charles F. Liscomb, Duluth; W. H. Menn, Los Angeles; Allan I. Wolff, Chicago; Sidney O. Smith, Gainesville, Ga., all past presidents; C. V. Davis, Sheridan, Wyo.; Howard W. Bradshaw, Delphi, Ind.; W. Ray Thomas, Pittsburgh, new National vice-president.

Contributions are limited to \$10. Any friend of "Mickey" Forshay and who feels moved to contribute to this fund can send any amount up to \$10 to any member of the committee.

The question has been raised as to whether this memorial will take the form of a mausoleum or monument. The committee states that nothing of that kind is in their mind. Members have not yet decided just what sort of a memorial will be established but it is stated that it will be of a nature that "Mickey" would approve and one that would be near to his heart. The contributions are not limited to members of the National Association of Insurance Agents. Checks can be drawn to the "Forshay Memorial Fund."

Agnew Speaks in Los Angeles

LOS ANGELES—Frank Agnew, public relations representative of the National Board, San Francisco, will speak before a combined meeting of all insurance men Oct. 22 on measures intended to take insurance from under the provisions of the Sherman anti-trust law and the Clayton law.

Pension Plan for St. Paul F. & M.

Stockholders of St. Paul F. & M., at their meeting Jan. 17, will act upon a proposal to establish a pension trust plan for all salaried officers and employees. The directors appointed a committee to establish such a plan.

Midwest Agency Parley Discussed Many Subjects

George W. Carter of Detroit, chairman of the Midwestern Agency Conference, presided over its deliberations Tuesday morning at the National Association of Insurance Agents meeting. He had been unable to be present when the territorial conferences met Monday morning. Inasmuch as he was crowded for time, he did the talking, telling largely what came out of the Chicago conference when delegates from the various states met there in the spring with western managers.

He said that public opinion has influenced a number of U. S. Supreme Court decisions and those of other courts. The decision rendered in Paul vs. Virginia was made 73 years ago. In 1890 the Sherman anti-trust law came into being. He condemned the increasing tendency toward centralization of power. He sees no reason why the insurance business should be prosecuted at this time especially during the war days. All offices are under extra expense and are confronted with manpower problems. He said unless the United States Supreme Court reaffirms the Paul vs. Virginia decision there is nothing left for the companies to do but to go to Congress and endeavor to have a simple bill passed to settle the problems and exempt insurance from anti-trust action. He declared that insurance should be allowed to remain where it is. It has done a good job. It has given a splendid account of itself. There has been no criticism from the premium payer. At this point he suggested that a resolution be prepared and it was made on motion of L. C. Hilgemann of Milwaukee to the effect that this conference approves the Bailey-Van Nuys bills in Congress to exempt insurance from the anti-trust law. C. A. Abrahamson of Omaha was appointed chairman of the committee to draw up the resolution.

Outsiders Blaze the Way

Mr. Carter said that very little time can be given by top executives to the subject of merchandising. They for the most part are not in touch with field problems or production. The difficulty with the organized companies, he said, is that they wait until non-bureau companies blaze the way before making improvements. For instance, he said, there was a decided and determined expression from certain sections that the 80-20 collision in automobile insurance be permitted. The companies

waited until an outside competitor paved the way.

Mr. Carter referred to the fact that it took 10 years for the large companies to write use and occupancy insurance intelligently. Each company now has its own form to get the necessary statistics for underwriting. There should be a standard blank for this purpose. He said that in Eastern Underwriters Association territory use and occupancy can be written under a fixed amount clause. He remarked that he liked the form now used in the middle west which allows a buyer of U&O to keep his insurance in line with his exposure but that occasions arise when a policyholder with plants both in the east and west wants a fixed amount clause in both jurisdictions. He said that he has been urging its adoption in Western Underwriters Association territory.

Renegotiation of War Contracts

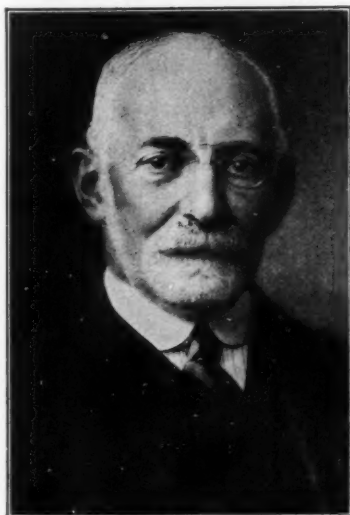
In referring to renegotiation of government war contracts he said that it has resulted in too wide variations in showing of profits on the books of the contractor. He announced he had devised a form which would permit the contractor to buy use and occupancy on the basis of his profits before renegotiation. He had been criticised, he said, and the question had gone to the company managers. They did not favor the form and the result was, he said, that inspectors were instructed to go to the management and suggest that the insurance be put on the basis of profits after renegotiation. He said that he had originated his own form and was using it because it was the correct thing.

He thinks that there should be more uniformity in getting the information from assured as to the basis for use and occupancy. Mr. Carter said that the gross earnings form should be used for industry. He criticised the doubling of the U&O rates where there was no limit on time to restore a plant. He did not like the additional charge of 50 cents in Michigan, for instance, for raw stock replacement after the premises are ready for operation. He hopes to get some relief in this use and occupancy situation, he said, within a month.

Progress in Casualty Field

Mr. Carter gave it as his opinion that the progress made in the casualty and surety field had been far greater than in fire and marine. The companies, he said, have been endeavoring to solve the workmen's compensation rating situa-

Figures in Changes in Top Positions of Fireman's Fund Group



J. B. LEVISON



CHARLES R. PAGE



JAMES F. CRAFTS



R. V. GOODWIN

tion and now have brought out in addition to the guaranteed cost plan three retrospective rating plans. Proper research, he said, resulted in these plans. He said that they are geared for service and proper protection. This plan, he asserted, has nonplussed the participating carriers.

Two of the best policies that have been brought out in casualty insurance he said are the residence theft and personal liability policies. He criticized the personal property floater, saying that where other insurance is carried outside the personal property insurance it should participate. Where there is other insurance carried, for instance, on fur coats in the hands of a furrier the personal property floater, he explained, does not cover. He said that he had written a letter to some of his company executives asking just why the personal property floater does not cover and he has not received an answer.

Some of the surety bonds have increased their protection and therefore they are more salable. The National Bureau of Casualty & Surety Underwriters has brought out farm liability insurance.

He said in the comprehensive personal property floater there should be given \$1,000 fur and jewelry coverage instead of \$250. By making the coverage as low as \$250 it forces assured to take specific insurance for furs and jewelry. Companies, he said, can well afford to increase this to \$1,000. He said that frequently in modest homes the item on which coverage is desired is a fur coat. This should be given under the personal property floater, he said. War Damage Corporation, he said, increased the liability on furs and jewelry to \$1,000.

Factory Association Merger

He paid his respects to the merger of the Western Factory with the Factory Insurance Association. He said that the Western Factory has been of great benefit to the business. He urged all agents to keep up what he called a "tirade" against any submergence of the Western Factory in the Factory Association that would impair or destroy its autonomy. He said that the present organization must be preserved in some form. The east, he said, should not dictate to the central west because the central west knows its problems and wants to have something to say about the coverage. He regarded it as more or less of a calamity that the Western Factory went out of existence as a separate institution.

New York Standard Policy

In discussing the new New York standard fire policy he said it should be adopted throughout the country. There are some states having statutes that might prevent the policy in its entirety being adopted but he said the main provisions should be used by companies voluntarily. He said that Secretary W. O. Hildebrand of the Michigan Association of Insurance Agents hoped to get it adopted in Michigan at the next legislative session.

Turning to countersignature laws, he said that the matter of commission paid to a resident agent should be one of contract between him and the outside agent who secures the business. He said there is no reason for restrictive legislation that will prevent the orderly flow of insurance. An outside licensed agent or broker should deal with a licensed resident agent. He said it is proper to have a resident agent sign the policy but when he exacts by law remuneration far above what his service is worth he makes the cost greater to the policyholder and naturally he rebels. A policyholder, he said, relies on the original broker or agent to service the risk. The state, he said, goes beyond its proper scope when it endeavors to fix commissions in this respect.

He urged term rule for mercantile stocks, uniform broker-of-record letter, off the premises explosion coverage. He said lightning losses on electrical equipment should be covered in all states. They are in some.

Freight Forwarder Cover Examined

Spotke, Bowersock Give Insurance Views at I.C.C. Hearing in N. Y.

NEW YORK—The Interstate Commerce Commission held a public hearing here to determine the advisability of requiring freight forwarders to file insurance or surety bonds to protect them and the public against claims on cargo, bodily injury or property damage. A freight forwarder is the middle man between shipper and carrier. The matter has been under consideration for a year and an extensive report was made by the insurance section of the Bureau of Motor Carriers and Freight Forwarders and submitted to the I. C. C.

While 74% of this business is conducted by three leading forwarders who carry insurance with ample limits, it was recommended to the I. C. C. that cargo limits be established at a minimum of \$3,000 for loss or damage to property in any one conveyance and \$6,000 for losses or damage at any one time. Present limits are \$1,000 and \$3,000 and although the majority of losses are small, these limits are deemed insufficient. The bureau also advised that the same minima of liability for bodily injury and property damage be required for freight forwarders as for motor carriers, which are \$5/10,000 for injury or death and \$1,000 for property damage.

Extent of Coverage

The report brought out that the entire services of the freight forwarders questioned are insured for cargo liability to the extent of 73% and only 38% for bodily injury or property damage. This indicates that freight forwarders are using the facilities of local truckmen for transfer, collection and delivery service to a very large extent and those who do so will be the ones affected by the new insurance regulations.

Vice-president D. C. Bowersock, Providence Washington, who represented the fire companies at the hearing, was asked the attitude of the insurance companies toward higher limits. Mr. Bowersock said that the insurers would make no move to require the filing of insurance by freight forwarders or the establishment of higher limits because the need for the coverage is self evident and it speaks for itself. A. E. Spotke, head of the automobile department of the National Bureau of Casualty & Surety Underwriters, who was on the stand the second day, reiterated Mr. Bowersock's statement. Both Mr. Spotke and Mr. Bowersock provided the examiners with full information regarding rates and experience as shown by their records.

The freight forwarders have the alternative of furnishing surety bonds or becoming self insurers, but there is a downward trend in the number of self insurers today because of the tax situation.

Surety companies are not eager for this business because it very often means that the buyer has been refused other insurance because of a bad experience record. An analysis made of the financial statements submitted by the freight forwarders revealed that 53% of the 128 forwarders who filed statements do not possess assets in excess of \$15,000.

The freight forwarders have shown every indication to comply with the commission's ruling in filing cargo and liability insurance and there was no disposition toward regarding the limits set as too high. As a matter of fact, they would be considered inadequate were it not for the fact that the large operators carry insurance well above the prescribed minimum.

The matter now rests with the Interstate Commerce Commission.

N. Y. Deputy to Join Home's Legal Staff

NEW YORK—J. Donald Whelehan, deputy insurance superintendent in charge of the New York office, will leave the department shortly to become assistant to the general counsel of Home.

He has been with the department in various capacities since May, 1932, when he was appointed one of the attorneys for the then superintendent, G. S. Van Schaick, in the liquidation of Southern Surety. In January, 1933, he became attorney for the superintendent as liquidator of New York Indemnity, La Salle Fire, and conservator of the New York assets of Union Indemnity. Later that year he was appointed special deputy in charge of the rehabilitation of the Bond & Mortgage Guarantee Company, the largest such concern in the world. In 1935 he was appointed attorney for the superintendent as rehabilitator of the Bond & Mortgage and later was its liquidator. In 1938 he did general legal work for the superintendent as liquidator of various companies and in October, 1938, was appointed a regular deputy.

Joint Committee Soon Will Meet

Will Draft Recommended Countersignature Law for Commissioners

The committee that was requested by the National Association of Insurance Commissioners to present at its annual meeting a suggested countersignature law expects to hold meetings now on the subject although nothing has been done to date. The committee consists of W. H. Bennett, counsel National Association of Insurance Agents; Ray Murphy, associate manager Association of Casualty & Surety Executives; A. V. Gruhn of Chicago, manager American Mutual Alliance; C. A. Abrahamson, Omaha, representing National Association of Casualty & Surety Agents, and General Counsel J. R. Berry of the National Board.

Mr. Whelehan is a native of Rochester, graduate of the University of Rochester and of Harvard law school. He practiced law in Rochester until he went to the department.



J. D. Whelehan



THE CONVOYS that carry our vital war material to all our fighting forces abroad form our "Bridge of Ships" without which we would be helpless to crush our enemies.

Norwich Union agents were among the first to streamline their services to the war requirements of their clients.

146 years of experience is assurance that your wartime insurance problems will be swiftly solved by our staff of expert underwriters.

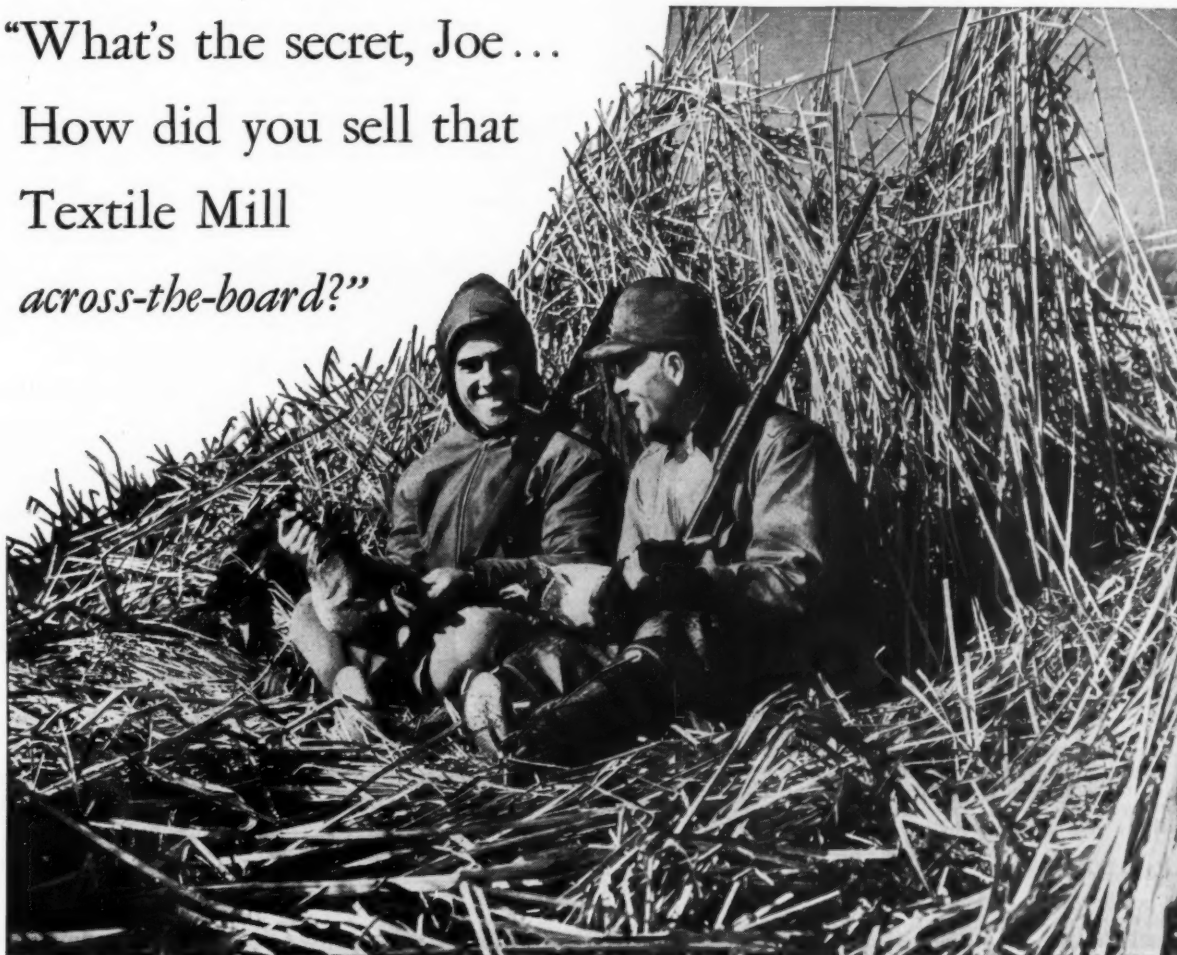
NORWICH UNION

FIRE INSURANCE SOCIETY, LTD.

NORWICH UNION INDEMNITY COMPANY

75 MAIDEN LANE, NEW YORK, N. Y.

"What's the secret, Joe...
How did you sell that
Textile Mill
across-the-board?"



"I T'S no secret, Fred! I simply asked the North America Fieldman for a complete insurance plan and he had it made up for me by the North America Service Office in my territory. North America knew the Mill set-up. They had surveyed the plant for my fire cover, and for my end of its trucking business.

"Furthermore, they knew all about the Mill's practice of centralizing its purchases of materials through one buying source. That was the sales approach! If it paid in the buying of materials, why not in the buying of insurance!

"So, the North America created a tailor-made 'package' for me, covering *all* the Mill's risks. It was so sensible,

so practical and so much more economical, it practically sold itself. *Now I'm handling the entire line!*"

★ ★ ★

It is the custom of North America's 32 Service Offices in the United States and Canada to work directly with North America Agents to provide personalized "head office" service *in the field*. They know local conditions and cooperate in an understanding way on individual Agents' problems *without delay*.

On-the-spot cooperation like this helped Agents last year to develop a net premium income *increase* for the North America Group of \$7,477,787 (exclusive of Ocean Marine War Risks).

Insurance Company of NORTH AMERICA PHILADELPHIA

and its affiliated companies write practically every form of insurance except life

BUY WAR BONDS



FOUNDED 1792
Capital \$12,000,000

Annual Parley of Ontario Agents

Ask for Taxicab Underwriting Pool—Bliss President

NEW OFFICERS ELECTED

President—Frank D. Bliss, Hamilton.

Territorial vice-presidents—J. E. Marsh, Belleville; W. H. Shaver, Midland; O. T. Graves, St. Catharines; A. E. Thompson, Windsor; John Kennedy, North Bay, and E. J. B. Dobie, Port Arthur.

Secretary-treasurer—Charles Priestman, Toronto.

TORONTO—Action on a number of matters was taken by the Ontario Fire & Casualty Insurance Agents Association at its annual two day conference here in the way of resolutions.

A resolution was defeated asking the Inland Underwriters Association, the Independent Fire Insurance Conference and other large writers of inland marine business to cooperate in adopting and adhering to a standard form of wording in the personal property floater. The resolution pointed out that there now are so many variations in the forms that an almost chaotic condition exists in the sale of this important class of coverage.

The association also asked that the Canadian Underwriters Association and the Independent Fire Insurance Conference take steps to form a pool for the underwriting of insurance on taxicabs, motor transports, public vehicles and substandard vehicles. Another resolution asks that the provincial government be requested not to appoint any person as an insurance agent who is an issuer of motor vehicle licenses in Ontario.

Suggest Auto Billing Scheme

Because of the bad public reaction to an increase in automobile rates, and in anticipation of the need for raising rates following the war, the association recommended strongly to its members that they emphasize that present low rates are temporary, and suggested that agents render statements on automobile business so as to show the basic premium, the wartime discount, and the net wartime premium.

Members of the association would like to have a further broadening of the dwelling form, and adopted a resolution asking that the Canadian Underwriters Association take steps in this direction as rapidly as possible. The resolution pointed out that the C.U.A. in recent years has broadened this coverage by making available the supplemental contract, including rental income and fire damage to outbuildings, and has adopted the water escape endorsement.

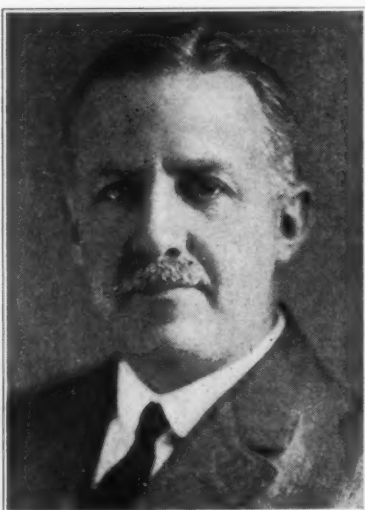
Expiration Ownership

Because one company ignored the principle that business on the books of an agency is the property of the agent unless he is in default with his company, the association voted to mail to all members a statement regarding the association's approved form of agency agreement. This clearly sets out the expiration ownership feature. It was recommended that local associations in Ontario make every effort to promote favorable public relations by pushing fire and accident safety programs. The association will soon institute an aggressive membership campaign.

One resolution asked that the association do everything possible to speed up arrangements to effect a plan for agents' qualification.

S. O. Mason, past president, said that several steps have been taken during the past year, to develop an agents' qualification plan, probably the most important being the proposed incorporation of the Canadian Federation of

Royal-Liverpool Official Completes 40 Years



C. A. NOTTINGHAM

Charles A. Nottingham, assistant United States manager Royal-Liverpool groups, completed 40 years' service Oct. 14, and in commemoration of the occasion found on his desk a large basket of roses and messages of good will from his colleagues.

He started his career in London, later being transferred to the Glasgow office, following which he was appointed as manager at Birmingham, England. He came to the United States in 1921 as one of the chief executives of the group, which position he has held for the last 22 years.

During this period Mr. Nottingham has served on numerous committees of the various insurance organizations, including a term of three years as president of the National Automobile Underwriters Association. He served as a director of Underwriters Salvage for over 20 years, and now is chairman of its board. He also is well known as chief executive of a group of reinsurance companies, Prudential of Great Britain, Skandia and Hudson.

Insurance Agents, which will cost \$2,000. Already \$1,400 has been pledged, \$500 of it by the Ontario group.

Comments of J. D. Kirby

John D. Kirby of Ottawa, retiring president of the association, discussed agents' qualification, lack of gasoline for fire and casualty agents, and deferments of insurance employees under labor transfer orders. The enforcement of the agency registration plan has not been effective, he said. He also commented on formation of the Independent Fire Insurance Conference, to which most non-board companies belong.

The association, he said, is in good financial condition and membership is 701, with 70 new applications and 60 resignations during the year.

Fewer Agents, McNairn Says

The plans inaugurated some years ago by the Ontario government to eliminate undesirable agents from the fire and casualty field is meeting with success, Hartley D. McNairn, Ontario superintendent of insurance, said. He revealed that in 1919 there were 7,600 licenses issued to life and other agents in the province; in 1931 there were 17,300 of which 10,300 were life and 7,000 fire and casualty, and in 1940 there were 7,300 life and 6,100 fire and casualty licenses. The number of fire and casualty agents licensed in the past year is approximately 5,000. High license fees have helped to some extent, he said.

It was suggested that the government might handle agents' qualification, but Mr. McNairn said that the average pro-

vincial government is not prepared to put a wall around the agency business. Improvement, he said, must come from the business itself, with the companies and agents cooperating.

License applications, which have just been sent out to agents for the current licensing, contain several important changes, Mr. McNairn said. One is the requirement that the agent list all companies with which he does business. The provincial department would thus know, if agents run into financial difficulties at any time, what companies are involved. It is possible, he suggested, that the government in the future may require additional fees of agents representing more than a certain number of companies.

Fire Marshal Speaks

W. J. Scott, fire marshal of Ontario, said that for the year ending in September, insurance losses from fire in Ontario in 1940 were \$4,845,924; in 1941, \$6,626,265; 1942, \$7,560,051, and 1943, \$7,722,384. There has been practically no loss from sabotage, he said. More than \$2,000,000 worth of fire fighting equipment has been distributed across Canada since the start of the war. While arson losses have declined because of the decreased profit motive, he suggested there may be a recurrence of such losses after the war.

Dallas Crusade on Losses Due to Cigarettes

The Dallas Fire Prevention Council and Chairman L. C. Roberts are doing a mighty work in educating the people on fire prevention and especially careless smoking. The records of the Dallas fire department show that smoking is a leading fire cause. It sent an open letter to the leading makers of cigarettes in this country and published it in large display space in Dallas papers Oct. 3. In Texas 964 fires last year in which was \$1,000,000 loss were caused by smoking. In Dallas out of 573 fires last year 113 were due to smoking and the loss of two lives resulted. Dallas Council suggests that the cigarette people take a small fraction of \$22,000,000 which they spend annually for promotion to help the cause of fire prevention.

Middleton Syracuse Speaker

At the meeting of the Syracuse Insurance Women's Association, Arthur J. Middleton of Central Fire talked on business interruption insurance.

INSURANCE agents are today facing an unparalleled opportunity to provide adequate protection for industries, properties and homes. Here are several contributing factors:

New policies plus revisions in old contracts now make it possible to present broader coverage at little if any increase in cost to the assured. And at a time when losses can disrupt wartime activities more people than ever are alert to the advantages of insurance protection!

Along with the War, changing conditions have created new needs for insurance. Increased income has brought the premium costs of policies within reach of the majority of people.

The complete facilities and valuable experience of the Providence Washington and Anchor organizations are always available to assist your operations in every possible manner.



Providence Washington
INSURANCE COMPANY
INCORPORATED 1799



Anchor
INSURANCE COMPANY
INCORPORATED 1928

PROVIDENCE • RHODE ISLAND
Both Companies Write
FIRE, WINDSTORM AND ALLIED LINES • OCEAN AND INLAND MARINE
ALL RISKS • AUTOMOBILE • COMPREHENSIVE, FIRE, THEFT AND COLLISION



Ill. Department Acts in Battle Over Agents Law

The Illinois department has filed a motion to strike the complaint of Graeme H. Smith, Chicago agent and broker, who secured a temporary injunction tying up the enforcement of the Illinois agents and brokers license law three weeks ago. This motion, which tests the legal sufficiency of Smith's complaint, will probably be heard by Circuit Judge LaBuy in about 10 days. Meanwhile, the temporary injunction continues in force and the Illinois department is issuing no licenses and doing nothing about enforcing the law.

The complaint of Mr. Smith alleges that the Illinois license law is unconstitutional because it is vague and indefinite and delegates unreasonable power to the director of insurance and also that it violates the section of the federal constitution providing equal treatment for the citizens of all states by permitting no one except an Illinois citizen to become an insurance agent in that state.

Claims No Knowledge of Charges

Mr. Smith's complaint, filed by his attorney, R. J. Hilliard, after reciting the Illinois license law at some length, states that Mr. Smith was licensed in March, 1942, and applied for renewal this year. In April, 1943, Mutual Benefit Life filed a requisition for an agent's license for him. On Sept. 14, Mr. Smith was notified he was charged with violation of the license law because of a loan on a policy of Mutual Life and ordered to appear Sept. 28 for a hearing to be conducted by T. W. Swain. Mr. Smith claims that the department conducted extensive investigations to get evidence against him and has summoned many people and ordered others to produce papers in the case. This includes a subpoena on Manufacturers Life to produce eight life policies and all correspondence and other data connected with them, which Mr. Smith says has no bearing on the Mutual Life loan. He also accuses members of the insurance department staff of making public statements that he is not trustworthy and threatening not to renew his license and to bring criminal proceedings against him.

As a result, Mr. Smith alleges, he does not know what are the charges against him. Further, he cannot defend himself against the charges in the Mutual Life loan, because his witnesses and supporting documents are out of Illinois and the license law provides no means of securing them for a hearing. Because of this and because of the alleged vagueness and unlawful delegation of legislative and judicial power, Mr. Smith maintains that the law is unconstitutional.

The scheduled insurance department hearing on the charges against Mr. Smith was halted by the temporary injunction.

Republic Official Returns to Agency Field in Dallas

After nearly 17 years with Republic of Dallas Fred A. Pierce announces his resignation effective Dec. 1. He started with Republic as special agent in 1927, with headquarters in Houston. In 1933 he went into the home office as assistant secretary, being advanced to secretary

and subsequently to vice-president in 1937.

He has handled legislative and insurance department matters for years and is widely known in these circles.

Mr. Pierce, who started in 1918 as a local agent, will return to this field and will open a general insurance agency in Highland Park Shopping Village, Dallas, where he is active in church and civic affairs. He will also make automobile and mortgage loans.

If you sell disability insurance, don't be without **The A. & H. Bulletin**. Write The A. & H. Bulletin, 420 E. 4th St., Cincinnati 2, Ohio.

Fred J. Cox Busy with Legislators

Fred J. Cox of Perth Amboy, N. J., who attended the meeting of the National Association of Insurance Agents at Pittsburgh last week, was greatly enthused over the results of the work he is doing in New Jersey getting in touch with the United States senators and congressmen with regard to keeping the federal government out of the insurance business and also getting favorable replies to his request that they support the Bailey-Van Nuys bill in Congress to

exempt insurance from the operations of the anti-trust law. He has been very successful in convincing legislators that insurance is in danger and it should be defended.

Indianapolis Board Meets Monday

The annual meeting of the Indianapolis Insurance Board will be held Monday evening, just preceding the annual meeting of the state association. Robert T. Cawthon, Nashville, manager of the Tennessee Association of Insurance Agents, will be the principal speaker. F. D. Calley, Huntington, W. Va., is to be a guest and will have a word of greeting from West Virginia agents.



Announcement of NEW NAMES

The Occidental Insurance and Occidental Indemnity companies of Fireman's Fund Group now have names which better describe their well-earned statures as national insurance organizations. From henceforth, the *Occidental Insurance Company* will be known as

WESTERN NATIONAL INSURANCE COMPANY
and the *Occidental Indemnity Company* as
WESTERN NATIONAL INDEMNITY COMPANY

There has been no change in ownership or management. The two companies remain members of Fireman's Fund Group and, as in the past, reflect the character and maintain the traditions of the parent company—80-year-old Fireman's Fund Insurance Company.

FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company
Fireman's Fund Indemnity Company
Home Fire & Marine Insurance Company
Western National Insurance Company
Western National Indemnity Company

ARE YOU neglecting your policyholders? By sending them the Insurance Buyers' Digest each month they'll know you are on the job, ready to serve. Write the National Underwriter for samples.

★ ★ ★ SAN FRANCISCO • NEW YORK • CHICAGO • BOSTON • ATLANTA ★ ★ ★



AT N.A.I.A. PARLEY IN PITTSBURGH:

H. A. Allen, Burlington, Vt.; A. H. Clarke, Boston; and Henry E. Davis, Providence, R. I., and David A. North, New Haven, Conn., retiring president National Association of Insurance Agents.

Eye Coinsurance Penalties on Expediting Cost

In connection with the current efforts that are being made to get nation-wide uniformity of opinion on the question of whether coinsurance penalties should be applied to expediting expenses in connection with use and occupancy losses under the contribution forms, the Western Loss Association at its first meeting of the season in Chicago Tuesday noon appointed a committee. That group will hold a round table discussion with a similar committee from the Special Risk Underwriters Association with the idea of formulating an opinion that can be regarded as representative of the western viewpoint.

It is understood that in the S.E.U.A. territory most of the authorities take the position that coinsurance penalties should not be applied to expediting expenses; that in the east opinion is divided but a majority believes that the penalty should be applied. The majority opinion in the west appears to be that the penalty should not be applicable. On the Pacific Coast opinion is said to be pretty evenly divided.

A nominating committee was appointed to bring in a slate for the election meeting Nov. 16. That committee consists of H. M. Ferrers, Springfield F. & M.; L. F. Piner, North British & Mercantile, and Harry Olsen, Sun.

E. S. Purcell, Hartford Fire, the president, presided.

Ernest Palmer Joins Law Firm in Springfield

Ernest Palmer, former insurance director of Illinois, has become associated with the Springfield, Ill., law firm of Brown, Hay & Stephens as insurance counsel with offices in the First National Bank building. This law firm traces its beginnings back 115 years.

Mr. Palmer became insurance director of Illinois in 1933 and served for two four-year terms. He remained in Springfield after leaving office and owns a home there. One of his important legal connections is with the Lansing B. Warner Reciprocity and while he is spending as much time as may be necessary both at their Chicago home office and elsewhere on their business he is still engaged in the private practice of law at Springfield.

\$500,000 Loss in Pittsburgh

Loss is estimated at \$500,000 in the fire that destroyed the storage and loading building of the F. J. Kress Box Co., 28th street and the Allegheny river, Pittsburgh. The stock that was destroyed included 5,000 tons of paper.

Woodworth Award Recipients from Georgia and Illinois

Now that Wade Fetzter, Jr., vice-president W. A. Alexander & Co. of Chicago, has been awarded the "Woodworth Memorial" by the National Association of Insurance Agents for 1943, that makes three agents from Illinois who have got this award, made to that agent who has contributed most in the opinion of the executive committee to the business during the year. The other two Illinois members to get the award are Allan I. Wolff and W. Herbert Stewart of Chicago.

Fetzter's Educational Work

Mr. Fetzter was given the award because of the outstanding service in promoting education and sound public relations in the National Association of

Insurance Agents and the Illinois association. In fact, he might be said to be the pioneer in the educational movement. He has always advocated a more robust and practical public relations program.

This memorial is in tribute to the late C. H. Woodworth, one of the founders of the National Association of Insurance Agents, who served as its second president for two terms.

Georgia has also had the Woodworth Memorial three times, the recipients being W. E. Harrington of Atlanta, former national president; Sidney O. Smith of Gainesville, former national president, and H. C. Arnall, Newnan, Ga.

Maryland Agents' Meeting

The Maryland Association of Insurance Agents, which will hold its annual meeting in Baltimore, Nov. 17, has decided on the Lord Baltimore Hotel as the official headquarters. Public relations will be the main theme of the program.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, at close of business Oct. 18, 1943

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	137	140
Aetna Fire	10	1.80*	54	56
Aetna Life	10	1.40*	33 1/2	35
Amer. Alliance. 10	1.20*	23 1/2	25	
Amer. Equitable 5	1.00	19 1/2	21	
Amer. Home	10	...	10 1/2	11 1/2
Amer. (N. J.) ...	2.50	.60*	15	16
Amer. Surety ...	25	2.50*	59	61
Balt.-Amer.	2.50	.40*	7 1/2	8 1/2
Boston	100	21.00	590	615
Camden Fire ...	5	1.00	21	22
Contl. Cas.	5	1.50*	40	42
Cont. N. Y.	2.50	2.00*	46 1/2	47 1/2
Fidelity-Phen. ...	2.50	2.20*	48 1/2	50
Fire Ass'n.	10	2.50*	69	71
Firemen's (N.J.) 5	.40	13 1/2	15	
Fireman's Fund 10	3.00	87	89	
Franklin Fire ...	5	1.40*	29	30 1/2
Glens Falls ...	5	1.60	42	44
Globe & Repub. 5	.50	9 1/2	10 1/2	
Gt. Amer. Fire. 5	1.20*	29	30 1/2	
Gt. Amer. Ind. ...	2	.20	12 1/2	14
Hanover Fire ...	10	1.20	28	29 1/2
Hartford Fire ...	10	2.60*	96	99
Home (N. Y.) ...	5	1.60	32	34
Ins. Co. of N. A. 10	3.00*	84	86	
Maryland Cas. ...	1	...	5 1/2	6 1/2
Mass. Bonding ...	12.50	3.50	72	74
Mer. (N.Y.) Com. 5	2.00*	47	49	
Natl. Cas.	10	1.00	23 1/2	25 1/2
Natl. Fire.	10	2.00	61	63
Natl. Liberty ...	2	.40	7 1/2	8 1/2
Natl. Un. Fire ...	20	5.00*	188	193
New Amst. Cas. 2	1.00	28	29	
New Hamp. ...	10	1.80*	48	50
North River ...	2.50	1.00	23 1/2	25
Ohio Cas.	5	.70	21	23
Phoenix, Conn. 10	3.00*	86	89	
Preferred Accl. ...	5	1.00	15 1/2	16 1/2
Prov. Wash.	10	1.40*	37	39
St. Paul F. & M. 62.50	10.00*	300	310	
Security, Conn. 10	1.40	37	39	
Sprgfd. F. & M. 25	4.75*	127	130	
Standard Accl. ...	10	2.50	65	67
Travelers ...	100	16.00	465	475
U. S. F. & G. ...	2	1.50*	38 1/2	40
U. S. Fire.	4	2.00	50	52

*Includes extras.

Use Secondary Aluminum

The War Production Board has modified its previous restrictions on the use of aluminum to permit the use of secondary aluminum for the manufacture of fan blades for use in blower and exhaust systems, handling flammable vapors and explosive dusts where non-sparking fans are required by the National Fire Protection Association standards on blower and exhaust systems on paint spraying, spray booths, etc.



Departments—

CHICAGO
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PHILADELPHIA
MONTREAL
TORONTO

The Best Insurance in the World U. S. WAR BONDS

For complete protection of

LIFE—HOMES—PROPERTY—LIBERTY

American Equitable Assurance Company of New York

Globe & Republic Insurance Company of America

Knickerbocker Insurance Company of New York

Merchants and Manufacturers Insurance Company of New York

New York Fire Insurance Company

Corroon & Reynolds, Inc.

MANAGER

92 William Street, New York

Losses paid exceed Two Hundred and Fifty Million Dollars

Gives Experience in Canvassing Low Income Group

Hugh H. Hoffman, local agent of Dayton, O., contributes this interesting commentary on the problem of selling insurance to those in the lower income group:

"Your Oct. 14 issue is especially interesting, particularly the report of the National association meeting at Pittsburgh," he writes.

"However, I wish to take exception to the oft-repeated assertion that the local agent is not properly protecting the lower income market, and as reported by Curtis Publishing Co., that there is a vast untouched market which should be insured. Permit me to cite this case which proves something to me.

"This city has had a vast influx of people from other states due to war industry and government employment. A government housing project was erected, 750 dwellings, in singles, two-family and four-family units, frame, outside protection, and so located as to be a target risk for windstorm and airplane damage by low-flying planes arriving and departing from Wright and Patterson fields. Heating stoves were installed with pipes through the walls. In other words, it was only redeemed by being brand-new and otherwise a hazardous fire risk.

"I subscribed to a service which called on these people and after recommending me for insurance, reported to me the names and addresses and the reaction of the prospect. Where that was favorable, I called on them. No telephones were available, no street signs, and no paving. Some nights I crawled through thick mud which even pulled overshoes off my feet. After seven months of this, sales averaging \$12 each, with down payments where possible to get it, and otherwise a most definite agreement on date of payment at the office or by mail, I found so many cancellations necessary for non-payment that I surveyed the seven months' effort and found that, with the reports costing me 30c each, the gross commission realized on the thousands of dollars of premiums involved was only paying for the cost of the reports, with nothing for my expenses in making calls, for office overhead, postage, phone, and therefore am forced to stop this effort.

"This is an example of a class of people who could not afford to lose their possessions, are yet in imminent danger of doing so from any of the hazards covered by fire and extended coverage, and yet so careless and dilatory that they will not cooperate sufficiently in making premium payments to enable an agent to handle their protection.

"Can this lack of protection therefore be blamed on the local agent?"

Ray Johnson Expected to Continue as Head of Chicago Brokers

Ray H. Johnson of Chicago, president of the Insurance Brokers Association of Illinois, probably will be reelected by the directors at a meeting in a few days, following the annual meeting Tuesday at which the directorate was reconstituted, with three new members. The directors have the function of electing officers. Reports showed that the association has been very active in Mr. Johnson's first year as president. Members are well pleased, as it was during the last year that the brokers succeeded in



R. H. Johnson

ending the situation under which they must be members of the Chicago Board in good standing in order to place business with the better recognized companies and receive commission. Now a number of leading brokers are permitting their Chicago Board memberships to expire, as did President Johnson in July.

New directors elected are Joseph A. McGowan, Carl E. Thorsen and Manuel H. Donchin. These will meet soon with holdover directors to elect officers.

A resolution was adopted honoring Clark E. Nolan, past president and one of the two brokers who filed the test suit which brought a compromise settle-

ment of their differences with the Chicago Board. The resolution designates the directors room in the executive office in the Insurance Exchange at Chicago as the "Clark E. Nolan Room" and provides for the placing of a plaque to this effect on the wall.

President Johnson closed the meeting with observations, expressing opinion a broker should not be qualified as a member of the association while he is a member of the Chicago Board. It was in line with this belief that he let his board membership expire. He said there is need for one chief organization in Chicago in which all interests in the insurance business should have equal

voice, and declared this would be one of his main objectives in the next year.

The by-laws were revised for the purpose of clarifying certain points.

Hutchinson Heads Lynn Board

LYNN, MASS.—The Lynn Board of Underwriters has elected these officers: President, S. Abbott Hutchinson; vice-president, Carl E. Lungren; treasurer, Daniel J. Moran; secretary, Laurence U. Fuller.

Are you too busy to make calls? Let the **Insurance Buyers' Digest** do it for you. Write National Underwriter for samples.

An advertisement similar to this appears in **NEWSWEEK**, October 18th, and **SATURDAY EVENING POST**, November 20th.



© 1903 AND 1930 THE CENTURY CO.

The First Senate of the United States in Session, New York, 1789. From a drawing by A. I. Keller



Member Companies—Providing practically every form of insurance except life

Great American
Great American Indemnity
American Alliance
American National
County Fire
Detroit Fire & Marine
Massachusetts Fire & Marine
North Carolina Home
Rochester American

Group Development

In pondering this picture of the first Senate in its rather informal setting, the mind naturally turns in contrast to the large, well-organized group that typifies the body today. The nation and its facilities of government have come a long way since the time of the founding fathers.

Insurance, also, has come a long way. As against the days when a man bought a policy here and there as the spirit moved him, there is now the well-integrated program offered by the Great American Group of Insurance Companies, which brings all needed forms of protection into proper relationship.

You may benefit by Great American's plan of coordinated insurance by consulting one of its 16,000 conveniently located agents—or your own broker. It includes practically all forms of insurance except life. Inquire today; there is no obligation.

INSURE YOUR COUNTRY'S SAFETY—BUY WAR BONDS AND STAMPS

Ohio Agents Stress Free Enterprise

COLUMBUS—Local agency problems which demand immediate consideration will receive much attention when the Ohio Association of Insurance Agents meets at the Neil House here Oct. 25-26. A definite policy on a number of issues affecting the local agent will be sought by President E. B. Berkeley of Cleveland. Free enterprise under the American system will be stressed at the convention and will be the general subject of the banquet speaker, James F. Lincoln, president of a Cleveland manufacturing company, who upon several occasions has been called upon to express himself on "government by formula."

The convention will open with an advertising exhibit, with addresses by Don Tobin of Columbus, and Howard S. Bowen of Norwalk, advertising writers. Trustee John R. Hare of Bellefontaine will preside. J. F. Van Vechten of Akron, vice-president of the association, will preside at a luncheon the first day when the speakers will be Austin McElroy of Columbus, past president of the association, and Senator T. M. Gray, executive secretary. Mr. Van Vechten also will preside at a round table of county chairmen. L. U. Jeffries, warden, and F. P. O'Connor, assistant superintendent, will conduct an insurance department conference, and Karl D. Dakin, Lebanon, former president, will be in charge of a forum for local agents. President Berkeley will preside at the banquet when Mr. Lincoln will speak.

Clayton G. Hale of Cleveland will be moderator at question and answer forum the morning of Oct. 26. E. J. Weiss, Reliable of Dayton, will answer fire questions; T. Y. Beams, Royal Indemnity, New York, casualty questions, and Baxter Brown, Fidelity & Deposit, Albany, N. Y., will handle the surety end of the discussion.

The New York fire policy will be explained by R. P. Barbour, U. S. manager of Northern of England and past president of the National Board, and the "Ohio attitude" on this question will be outlined by Superintendent Crabbe. The new Ohio safety-financial responsibility act will be discussed by J. C. Hiestand, Ohio Farmers, vice-president of the Ohio State Safety Council, who will consider its promotion and sales possibilities, and Paul R. Gingher of Columbus, counsel for the association, will discuss the act, tracing its development, legislatively and interpretatively.

At the business sessions, in addition to the adoption of resolutions, a president and vice-president will be elected, together with three trustees. Cyrus H. Watson has been nominated from the Dayton district; Edward J. Schmidt from the Hamilton district, and C. G. Hale from the Cleveland district.

Members of the Columbus board,

Poesy Flows in Re Houston Roof Repairs

The Houston "Post" the other day printed a poem by Judd Mortimer Lewis that was inspired by the roof repairing situation following the recent Galveston-Houston hurricane. Cravens, Dargan & Co. has reprinted it in a folder which also contains a cartoon of a roof scene and captioned "The Roof Racket and Hope Deferred ('Damn the Weather Man')."

According to insurance men
(We hope it isn't true)
When the Gulf breeds a hurricane
And threatens towns with rue,
Home-owners clamber to their roofs,
With a tool for their use,
And there, between earth and sky,
Pry a few shingles loose.

So when the hurricane comes by,
And blows with all its might,
'Twill lift the loosened shingles up
And blow them out of sight,
And let the rain come driving through
Into the rooms and halls
And ruin furniture, and soak
The paper from the walls.

That way they get a better roof
Than their roof used to be,
New paper and new furniture,
All absolutely free;
Their satisfaction then with their
Wise foresight is immense,
Since the insurance company
Pays all of the expense.

Then when a hurricane goes by,
And never hits the town,
They climb up on their roofs again
And nail the shingles down;
And when the hurricane comes not
According to their plan,
Until they set their trap again
They damn the weather-man.

May Curtail Canadian Adjustments

TORONTO—A drastic curtailment in insurance adjustment services in Canada is likely as a result of the refusal of the oil controller's office to allow them gasoline to provide for more than 6,000 miles of travel. They contend that 12,000 miles per annum is the lowest allotment on which they can continue to render the service now given.

The Ontario Adjusters Association is notifying the companies of the situation, with the warning that the public hereafter must not expect service to be maintained on normal standards.

Tom G. Wilds, special agent in Kentucky for Hartford Fire, who was in a hospital for several weeks with a broken leg, suffered in a fall from a second story window at his home, is back home again, and expects to be at the office soon.

headed by Robert Klie, president, and A. J. White, Jr., secretary, will help entertain the guests at the convention.


Some Observations of an Assured

In the program of the National Association of Insurance Agents conducted by the Business Development Office, J. L. Bossart, vice-president Donaldson Motor Company of Pittsburgh, said that there is now greater need for insurance than ever so that it will cushion any untoward blow. He spoke as an individual and said that he could not afford to sustain a loss of any magnitude at this time and therefore it was his duty to protect himself. He stated that all his insurance was purchased from agents. He praised the survey system because he said it showed what he lacked in the way of protection. It had been very beneficial to him, he added. His experience, he continued, with agents had convinced him that they had been fair in what they did. He spoke of the value of household inventory in assisting him to tell exactly what he had in his house and what he thought

the value of articles was. He said that very few people these days are in a position to have anything happen to them in the way of a property or personal loss. They are up to their necks in obligations, taxes and one thing and another. Insurance, he explained, relieves one's mind and permits him to forge ahead in his occupation. There is enough to worry about, he declared, without having to trouble about possible losses that can be guarded against through insurance.

Allan I. Wolff of Chicago said one should not overlook smaller accounts. He referred to the largest account now on the books of his agency as due to the servicing of a small policy of a friend. Later he was able to throw the insurance of his concern to Mr. Wolff's office. He became a prominent attorney, then secretary and vice-president of a large corporation.

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Background of Paul vs. Virginia Case

Much is heard today regarding the case with a romantic name, Paul vs. Virginia. In May, 1866, Samuel Paul, a resident of Virginia, was appointed agent of a number of companies incorporated in New York. He filed with the auditor of public accounts his authority from the companies to act as agent. He then applied to the proper officer of the district for a license to act as agent offering to comply with all the requirements of the statutes except the provision requiring a deposit of bonds with the state treasurer and the production to the officer of the treasurer's receipt. The district official had not yet outgrown the doctrines of his youth and early manhood relating to the sovereign power of Virginia. Recent events had conspired to weaken in his soul the fearful suggestion that possibly the state had after all no rights that a New York corporation was bound to respect. The district official shook his head as he looked at Mr. Paul and refused a license.

Inasmuch as no license would be given him and he being of a revolutionary nature "undertook," says the historian, "to act in the state as agent for the New York companies without any license." In one instance, at least, he did issue a policy to a citizen of Virginia in one of the companies. For this violation of the statute he was indicted and convicted in the circuit court of Petersburg and was sentenced to pay a fine of \$50.

He claimed that the rights of the corporation which he represented had been infringed in two respects. First, under that clause of the federal constitution which provides that the "citizens of each state shall be entitled to all the privileges and immunities of the citizens of the several states" and again under that clause giving to Congress power to regulate commerce with foreign nations and among the several states.

Justice Field delivered the opinion,

proceeding to the second objections urged to the validity of the Virginia statute as in violation of the commerce clause of the constitution, the court said that although the language of the constitution "is general and includes alike commerce by individuals, partnerships, associations and corporations, nevertheless issuing a policy of insurance is not a transaction of commerce. The policies of insurance are simple contracts of indemnity against loss by fire and not articles of commerce in any proper meaning of the word. They are not subject to barter and trade offered in the market as something having an existence and value independent of the parties to them. They are not commodities to be shipped or forwarded from one state to another and there put up for sale. Such contracts are not interstate transactions though the parties may be domiciled in different states. They are local transactions and are governed by the local laws."

After the decision was made Mr. Paul returned to Virginia and paid the penalty which had been imposed for writing insurance without a license.

He appealed to Virginia state courts and obtaining no relief appealed to the U. S. Supreme Court on two grounds:

- 1st—Rights of citizens being violated.
- 2nd—Violation of the interstate commerce laws.

The Supreme Court ruled first that the companies, not being duly admitted to Virginia could not hold rights as citizens of that state and so ruled against Mr. Paul on this ground. Second, the Supreme Court ruled that insurance was not commerce and therefore not amenable to the interstate commerce laws.

Bank Agencies in Alberta

EDMONTON—Strong opposition is being voiced by licensed fire and casualty agents in Alberta to a new develop-

ment in this province. It has been announced that banks operated by the provincial government will be used from now on as fire and life insurance offices. The agents are compelled to pay license fees to operate, these fees going to the government, and yet it is endeavoring to expand in the insurance field at the agents' expense.

Opens Attack on Van Nuys Bills on House Floor

Representative Voorhis of California, on the floor of the House Tuesday, charged that the Van Nuys-Bailey bills are frankly designed to prevent the Supreme Court from ever passing upon an appeal in the S.E.U.A. case. He said it is a dangerous precedent to have Congress consider the passage of legislation whose avowed purpose is to prevent a certain case from passing through court in the normal manner. That would make Congress vulnerable in the future, he asserted, to demands of every conceivable group and individual that would step in with a piece of legislation to prevent a matter in which they may have an interest from being carried to the courts in the way provided by law.

Voorhis contended that vigorous enforcement of the anti-trust laws is the only alternative to a further extension of federal regulation and control.

An official of the new bomber-wing plant of Murray Corporation will address the meeting of the Anthracite Field Club of Pennsylvania at Scranton Oct. 26.

The Sioux Falls Association of Insurance Women resumed its meetings at a luncheon with 26 in attendance. Plans were discussed for the year and it was decided to continue the educational program.

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Almost All State Bodies Hold Conventions

All the major state associations of insurance agents, that is those of the greatest number of members, have held or will hold annual meetings this year except Michigan and Iowa. Idaho, Wyoming, Arizona and New Mexico cancelled this year's meetings. The sentiment throughout the country has been very much in favor of the agents holding so-called war conferences and preparing themselves for more effective work in their communities. Missouri which did not hold an annual meeting last year held one this year. The conventions this year have been particularly helpful.

Cow's Backward Kick Shocks J. E. Chittenden

Jas. E. Chittenden of Louisville, state agent of North America, in the interest of artistic realism, writes:

"In your issue of Oct. 7, page 9, you carry an advertisement of North British & Mercantile depicting the now famous cow of the 1871 Chicago conflagration as upsetting the lantern with a backward kick. As your publication has an enviable reputation for correct reporting and exactness in relating facts, should not the illustration be changed to show the cow as kicking forward, which is the only direction Bossy plants her hoofs? Born and reared on a farm, and familiar with all chores of the barnyard, including milking, I vouch for the correctness of this statement. It is instinctive protection, foiling the sucking snakes of the jungle and against unwelcome partakers of the milk bag."

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First Principles in Agency Laws Are Outlined

NEW YORK—No standard or uniform qualification act for agents is practical, the subcommittee on the principles of agency qualification reported to the state directors of the National Association of Insurance Agents. However, the sub-committee feels that certain fundamental principles should be adopted by the state directors and offered to state associations.

The fundamental principles in improving state laws in the main are stated to be:

Enactment must be in the public interest; the terms agent, broker, solicitor, insurance adviser, etc., should be defined; acting without a license should be prohibited; procedure and form of application for licenses should be defined; a non-partisan examining board should be provided with its duties defined; examination provisions should be stated; all first time applicants for agents and brokers licenses must be examined and have a minimum stated amount of insurance education and a minimum stated period of active pertinent insurance experience; "controlled business" should be defined and a maximum percentage should be provided.

Financial or lending institutions and their employees should be barred from all licenses; use of credit to coerce placement of insurance should be prohibited; otherwise no attempt should be made to interfere with present licenses.

Also: Authority of the commissioner to issue, renew, refuse, revoke and suspend licenses should be stated with pro-

visions for hearings and judicial review; provision for temporary licenses should be made; limited licenses should be prohibited in general with possible exception of accident and health and life; agents and brokers should be required to have a definite place of business and to keep therein adequate records of business; all collected funds should be held by an agent or broker in a fiduciary capacity; payment or acceptance of illegal commissions or rebates should be prohibited; provision for enforcement and penalties should be stated.

To bring about enactment, the subcommittee recommended creation of a committee on agency qualification to meet with company representatives and state officials and to conduct research. A recommendation that each association arranged for insurance educational facilities so that applicants desirous of entering the business may conveniently secure the necessary education, was made.

A. W. White of Seattle is chairman of the subcommittee.

Hold A. & H. Quiz Session

The October meeting of the Chicago Accident & Health Association Wednesday was given over to a quiz session, with W. Welsh Pierce, Massachusetts Indemnity, as master of ceremonies.

Twelve questions on accident and health insurance, selected from those used in examinations conducted by the insurance department, were propounded to various members and those answering correctly were rewarded with 25-cent war stamps.

Saltonstall Slated in N. Y.

Governor Saltonstall of Massachusetts will be the principal speaker at the annual dinner of the Insurance Federation of New York Dec. 22 in New York City.

competition of the London market. At the same time, he pointed out, the existence of the syndicates has helped keep London rates down and London's hull rates on American risks are lower than for comparable British tonnage.

Mr. Jobson doubted the feasibility of developing a hull capacity in this country capable of \$10 million to \$15 million and that as to reciprocity with London the American market should not expect an equal basis, nor try to obtain the same percentage of insurance on British merchant fleets as London has on ours.

Kenneth Bell, vice-president and insurance manager of the Chase National Bank, New York City, said it was a great tribute to the companies and the brokers that the banks and merchants have been content to know so little about the marine policies in which they place so much reliance, but that "we should know more and I think you may hear more from us."

Mr. Bell expressed the hope that in the event of another war "the underwriters will do the underwriting" and the government will come in only at the top. Presumably he was referring to the plan of having the government act solely as a reinsurer.

Discussing regular marine insurance Mr. Bell said he would like to see simpler and more uniform policies, that the banks would welcome a chance to discuss marine insurance with the underwriters, the producer, and the buyer and would appreciate being consulted when any fundamental revisions are being considered.

Personnel Is Improving

Lieut. (j.g.) John McNames, U. S. Maritime service, of the U. S. Merchant Marine academy, gave an encouraging forecast of the way in which losses should be reduced by the quality of men being attracted to the merchant marine service. He pointed out that only about 1% of accidents are inevitable, the other 99% being due to poor seamanship, incompetence, alcoholism, and other causes traceable to personnel.

Lieutenant McNames said that now,



LET'S CO-OPERATE!

Our Government asks us to co-operate in a program to keep prices down. Here are some things we can do:

Save our money, investing as much of it as we possibly can in War Bonds.

Reduce our debts and make no new ones.

Buy only what we need, making what we have last a little longer.

Abide by rationing rules to conserve goods in which there are shortages.

Co-operate with the Government's Price and Wage Stabilization Program.

Pay our taxes willingly, even increased ones which may be necessary.

Safeguard against loss by insuring all physical property against disaster.



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OF FIRE INSURANCE COMPANIES

Says Radar Will Cut Marine Rates

(CONTINUED FROM PAGE 3)

shown the effect of new developments in reducing losses the marine underwriters are prompt to reflect them in lower rates. He remarked on the way that rates have followed the improved experience closely during the 40 years he has been in the business.

Favor Freedom on Rates

Quite a discussion developed on whether underwriters should be allowed complete freedom in rating ships according to management policies, condition of ships, and other factors bearing on the quality of the risk. The discussion was rather one-sided, the only speaker for the negative being Emmet J. McCormack of Moore-McCormack Lines, who contended that laws are sufficiently strict nowadays to take care of moral hazard in the sense of actual crookedness and that as far as any other differences in the quality of risks are concerned it is impossible to make any valid distinction.

However, others, including Donald Morrison, vice-president of the American Hawaiian Steamship Company, were emphatic that the insurers should be given complete freedom on this point. Mr. Morrison said that the development of the American merchant marine will be retarded unless the underwriters are free to reward good experience and take into account not only the loss record but the condition of the equipment and the care used in operation.

Mr. Morrison also said that the owner should be not encouraged to insure hazards that he can properly self-insure and the insuring of such risks should not be made a condition of his getting the coverage he really needs.

Speaking from the broker's viewpoint, A. P. Jobson, vice-president of Marsh & McLennan, praised the work of the American hull syndicates but said they should continue to be subject to the

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through the War Shipping Administration division of training, there is a national training organization for developing merchant marine officers, and that many youngsters, some of them sons of naval officers, are being attracted to the academy with the idea of becoming merchant ship officers after the war. He mentioned the stress that is laid on safety and seamanship that prevent accidents, on discipline and loyalty. The group endorsed by vote the academy's work.

IN U. S. WAR SERVICE

Frank A. Hohenadel, Jr., was promoted to first lieutenant in infantry at Fort Jackson, S. C. Lt. Hohenadel has been in the service almost two years and formerly was affiliated with the Childs & Wood agency in Chicago. His father, Frank A. Hohenadel, is an office broker with Aetna Casualty in Chicago.

Arthur Steinhau, eight years with the Wisconsin Fire Insurance Rating Bureau in Madison, has been commissioned a lieutenant (j. g.) in the naval reserve and ordered to report at Hollywood, Fla.

William W. Furnish, formerly with Charles W. Sexton Co., Portland, Ore., agency, was awarded his pilot's wings and commission at San Antonio. He is the son of William E. Furnish, local gent at Portland.

W. R. Mills, special agent of Commercial Union, Oklahoma City, will report at Fort Sill Oct. 22. Mrs. Mills will return to her former home in Aurora, Ill.

C. M. Chase, fire underwriter of Allied American Mutual, Boston, has entered the army. Mr. Chase's work is being taken over by E. G. Graf, Jr., for the past four years in the fire underwriting department of the company.

George A. Jackson, who before entering the army was claims manager of Lumbermen's Mutual Casualty in Los Angeles, has been promoted from major to lieutenant-colonel in the judge advocate general's department. He is stationed in San Francisco.

H. N. Morin Now Active in Latin America

Henri N. Morin, former insurance commissioner of Rhode Island who was later for a time connected with the anti-trust division of the Department of Justice in the S.E.U.A. case and who is now engaged in some insurance enterprise in Latin American countries, has forwarded a clipping from a newspaper of San Jose, Costa Rica, in which he is featured.

The article identifies Mr. Morin as representative of an organization known as "Overseas Insurance" which embraces such companies as Rhode Island, Louisville Fire & Marine, Metropolitan of Cuba and Pan American.

The article states that Mr. Morin went to Costa Rica to visit the National Bank of Insurance there since his companies have had cordial relations with that institution. He is also traveling in Mexico and Nicaragua and was leaving Costa Rica for Venezuela.

Mr. Morin states that he is a special envoy of the Overseas insurance group. Mr. Morin was quoted as praising the personnel and management of the Insurance Bank of Costa Rica. He recommended that representatives of the bank visit the United States and he said that his companies will place the Costa Rica bank in the front rank among its collaborators in the international field of insurance.

PRODUCERS AVAILABLE

Two leading Cook County field men with excellent production records desire company connection on managerial or commission basis. Draft exempt. Available on short notice. Address Box T-35, care National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Many Offices Shorten Week. Aid Industry Part-Time

SAN FRANCISCO—While awaiting replies from applications for exemption from the requirements of the 48-hour work week, a number of San Francisco company and broker offices have gone on a 40-hour five-day week, while others have gone on a 44-hour basis. Principal factor in going on the 40-hour week is to release employees for work on Saturday and Sunday in production industries in the Bay area such as canneries, shipyards and similar activities. Already numbers of men and women, who spend five days a week handling policies and other company and office routine, are actively engaged in these "critical" industries.

A number of life men, who have received the "work or fight" directive, also are taking up duties in the vital industries and endeavoring, in most instances, to service their business "on the side." Most of those who go on a 44-hour week plan also try to write some new business during their "off" hours. On the other hand, some draft boards in the San Francisco Bay area have recognized life insurance as "essential" and have permitted life agents to continue full-time with their work.

700 Gas Fume Claims Are Paid in Los Angeles

LOS ANGELES—More than 700 claims have been paid by automobile insurers for damages to automobiles from the fumes of butadiene gas thrown into the air by the plant producing the gas here, and claims still are coming in. The claims have been paid under comprehensive policies and the carriers are subrogating against the casualty company on the plant insurance line.

The plant is operated by the Southern California Gas Company for the Reconstruction Finance Corporation and the Rubber Reserve Company.

During the washing of butadiene by water, it is said, fumes are released into the air. These fumes have an acid content, which, when it comes into contact with the paint on an automobile, pits it. Sometimes it is possible to repair the damage by chemical polishing, while in others the acid has eaten clear through the finish, requiring a new paint job.

Win War Bonds for High Institute Marks

NEW YORK—The Insurance Institute of America has awarded \$25 war bonds for the highest average marks in the examinations of last January, May and September to the following:

Nicholas Gannam, Massachusetts Bonding, Boston, general principles; Robert Foulds, Middleton & Tait, Calgary, Alta., casualty; Kathleen B. Moody, Canadian Surety, Vancouver, fire; Karl O. Klaren, Metropolitan Life, New York City, life; Mrs. Ollie C. Reamer, Continental, Dallas, inland marine; Inge K. Svendsen, Norwegian Shipping & Trade Mission, New York City, ocean marine, and Elsie M. Cerveney, American Surety, New York City, surety.

Convention Dates

Oct. 25, Rhode Island agents, Providence, Crown Hotel.

Oct. 25-26, Ohio local agents, Columbus, Neil House.

Oct. 26-27, Massachusetts agents, Springfield, Hotel Kimball.

Oct. 26-27—Indiana Agents, Indianapolis, Claypool Hotel.

Oct. 28, Kansas agents annual meeting, Topeka, Jayhawk Hotel.

Oct. 28-29, Wisconsin Agents, Milwaukee, Hotel Schroeder.

Nov. 3, Connecticut Local Agents, Hartford, Hartford Club.

Nov. 4-5—Illinois agents, Springfield, Abraham Lincoln Hotel.

Nov. 15-17, California Association of Insurance Agents, San Francisco, Whitcomb Hotel.

Nov. 17, Casualty Actuarial Society, New York, Hotel Biltmore.

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Many things cause job absences. It's a community responsibility to lick lost time. Transit Companies, banks, stores, laundries, etc. may need to readjust their hours. And it's each individual's responsibility to be on the job every minute he possibly can.

Lost time may mean lost lives. Let's all team up to get this war over with. Let's use our time the very best we know how.

As the President said: "Lost ground can be regained; lost time never."



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INLAND MARINE



C. C. Hannah Heads Fireman's Fund Now in Life Field

(CONTINUED FROM PAGE 1)

two indemnity companies since 1940. A native of New York, Mr. Goodwin began his insurance career in 1912 and was New York City manager for Standard Accident before he joined Fireman's Fund Indemnity as assistant secretary in 1930.

Importance of East

In making the announcement the companies pointed out that "location of the two first vice-presidents in the east recognizes the growth and importance of the eastern operations of the group and the requirement of increasingly active participation in the affairs of nationwide underwriting organizations, many of which are located in New York."

The day selected by Mr. Levison for his withdrawal from the responsibilities he has carried as chairman was the fifty-third anniversary of his joining Fireman's Fund as its marine secretary. Mr. Levison, whose leadership was the prime factor in rehabilitation of the Fireman's Fund following the San Francisco disaster of 1906, was president from 1917 to 1937. Mr. Levison started in 1878 with New Zealand. Two years later he went with Hutchinson & Mann and then took charge of the marine business of Anglo-Nevada Assurance. The marine business of Anglo-Nevada was taken over by Fireman's Fund in 1890 and Mr. Levison became marine secretary of Fireman's Fund.

Mr. Page was born in 1878 and is thus retiring from presidential office in his 65th year, which is now the Fireman's Fund rule. He graduated from Yale and has been with Fireman's Fund continuously except during the last war when he served as commissioner of U. S. Shipping Board and afterward until 1922 when he was manager of U. S. Salvage Association.

Mr. Hannah's election is a departure from what has come to be regarded as Fireman's Fund tradition having as president a man who has come up through the marine branch.

Flays Federal Control Attempts

(CONTINUED FROM PAGE 2)

government exercises over our lives and property, the greater will be our prosperity.

"In the third group will be found some of those who fully endorse the objectives of the first two groups but who consider their method a better strategy to accomplish them. But in this third group advocating federal control and regulation will also be found some who would declare their desire to preserve insurance as a private enterprise and who would argue that federal regulation would be more efficient. Opposition to this viewpoint must be based not alone on a campaign of education but also upon an achieved justification of the ability of the insurance business to regulate itself. And in this connection I am aware of the responsibility of all who hold the office of insurance commissioner to fairly and wisely enforce their state insurance laws and to continue among themselves the cooperation through which much good has been accomplished in the past.

Strive Toward Same End

"While these groups bent upon your destruction differ in their suggested procedure, each is striving toward the same end and to that extent are our common enemies."

Commissioner Garrison then discussed the strategy that these groups are now employing, pointing out that "the standard procedure for those adept



F. P. O'CONNOR

Francis P. O'Connor, who has resigned as assistant insurance superintendent of Ohio to become field supervisor for Union Central Life at Columbus, is well known in the insurance world in his state. While engaged in the local agency business at Lima, he served as president of the Ohio Association of Insurance Agents and for a number of years was an important factor in that organization.

in this type of activity is a combination of strong humanitarian language implemented by a vigorous waving of the American flag, and a well-directed publicity campaign designed to poison the public mind against the victims of the operations.

"Without doubt the most shabby attempt to proselytize public opinion ever made by a group in possession of American political power was the work of the TNEC.

New Deal Cabal in Control

"In fairness to the committee, it must be said that its chairman, Senator O'Mahoney, and the other Congressional members, were sincere and relatively impartial in their attitude and activities. However, the representatives of the administrative departments and federal regulatory agencies, a cabal of the new deal, constituted a practical working majority. They planned the hearings and by executive order controlled the expenditures of four-fifths of the committee's funds. They selected and summoned the witnesses."

In criticizing the TNEC monographs, Mr. Garrison said these statements were given the rather curious status of "Testimony Before the Committee," although actually the authors went outside of the testimony before the committee to sources and references that helped to prove their theories. There were 240,000 copies of the monographs furnished to the committee and they have been distributed throughout the country. In addition, 7,000 copies of the complete report of the committee have been distributed free to universities, professional libraries, foundations, research organizations, newspapers, individuals and periodical libraries.

Mr. Garrison took particular exception to the TNEC's final report which points out that "the information, conclusions and recommendations will have continuing and profound effects in shaping the thinking of individuals, and groups, leading eventually to an informed public opinion." Thus, Mr. Garrison emphasized, "the committee served as prosecutor, judge and jury, and wrote the opinions, which constitute formal charges of the failure of American free private enterprise and its obsolescence in a world it had itself created."

While the TNEC report also charged

life companies and their directors and officers with using the funds of the companies in many ways to serve their own personal interests, Mr. Garrison pointed out, in the actual charges the draftsman did not say that the officers and directors actually did use the companies' funds but said they "were in a position to use the companies' funds" and charged that the officers and directors "may" borrow money directly or indirectly from a corporation that he owns or controls and that he "may" do various other things with "other vague insinuations."

No Proof of Violations

Although the companies challenged the committee to produce one case where policyholders suffered loss or disadvantage, "the record of the hearings contained no proof and no suggestion that any law had been violated by any of their directors or that any tendency toward monopoly had resulted when a director of the companies had served on more than one board. There was not one word in the report showing that any director of the 26 largest companies, controlled the decisions of any of his fellow directors.

"The challenge of the insurance companies was not met in the reply memorandum submitted by the special counsel of the Securities & Exchange Commission, instead, the counsel referred to four companies in which it is alleged 'policyholders suffered as a result of * * * activity by directors'. The assets of these particular four companies represented about .25% of the total life insurance assets of all companies."

In answer to the monograph's charge that life companies are guilty of anti-competitive agreements, Commissioner Garrison pointed to numerous instances of competition. "Such is the kind and quality of the charges made by the committee against the life companies," he observed.

S. E. U. A. Case Significant

In discussing the federal government's attempt to have insurance declared interstate commerce in the suit against the Southeastern Underwriters Association, Mr. Garrison said the case is significant "as an example of the kind of fearless, determined campaign by the federal government that is going on to not only take over from the states the control of the insurance business, but also to take over the business itself. As it happens, unfortunately for our opposition, it has been the law of this country for now some 75 years, that insurance was not commerce and therefore was not subject to federal regulation." It is on this "time-honored principle of

law the insurance structure has been built. And it is this framework that the federal authorities seek to destroy."

Cites Legislative Examples

In considering legislation which contemplates the federal government engaging in insurance business under the guise of social security, and war time necessity, Mr. Garrison cited the Wagner social security extension measure and HR-1992, introduced by Congressman Lea of California which would authorize the Civil Aeronautics Authority to provide air insurance whenever it appears that such insurance adequate for interstate commerce, overseas air commerce, foreign air commerce, or other commerce by air, cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business. "Whenever it appears! To whom must it appear?—Why the federal bureau, of course," Mr. Garrison observed.

The third legislative threat is Senate Bill S-26 introduced by Senator McCarran which would establish a federal fidelity bonding board for the writing of surety bonds upon federal employees.

"These are three of the forerunners of what will develop into a mass of proposed federal legislation having for its objective the writing of various lines of insurance by the federal government to the exclusion of private insurance," Mr. Garrison predicted.

Favors Reasonable Program

"Although all of us are sympathetic with a sound, feasible permanent social security program," the Wagner bill "is not social security but ultimate social collapse." Under the bill if the U. S. Employment Service decides that there are too many people employed in the insurance business and too few people employed in factories, it can "tell you to stop working in the insurance business and go to work in a factory. You would, of course, say 'Oh, but they can't do that to me.' If you don't think they can, read this bill."

It is true that the Wagner bill does not contain specific provisions for the outlawing of private insurance, Mr. Garrison pointed out, "but the effect of the legislation is exactly the same as though it did as it makes provisions for the furnishing to the people all of the benefits that are now privately purchased from the insurance companies and thereby completely eliminates any necessity for the individual's purchasing his own insurance protection."

Mr. Garrison urged active opposition to use of the term "insurance" in referring to social security legislation, pointing out that there has been a grow-

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Lamping & Company.....	Colman Bldg., Seattle
Lamping & Company.....	Spalding Bldg., Portland
California Agencies, Inc.....	114 Sansome St., San Francisco
Southwestern General Agency.....	Title & Trust Bldg., Phoenix

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A. B. Knowles & Company.....	114 Sansome St., San Francisco
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ing tendency on the part of those advocating such legislation to refer to it as "insurance." "The present social security schemes," he said, "are merely appropriations of money by the federal government on a year to year basis. The amount of appropriations is not geared to or related to the amount of contributions by taxpayers, nor is any fund accumulated in a real sense. And the amount of contributions, inequitable in their original conception, are not in any way geared to the expenditures. The amount of contributions and the amount of appropriations can be and will be adjusted with an ever widening gap, perhaps according only to political expedience. And remember that the 'security' sought depends according to Beveridge's fundamental assumption upon the prosperity of private enterprise."

While the Senate's S-26 bill would not seriously impair the surety companies in their writing of fidelity bonds, it would eliminate from their prospects hundreds of thousands of individuals now employed by the federal government. "Insurance codes," Mr. Garrison said, "uniformly condemn 'controlled business.' This bill must be condemned on this same principle and while the amount of business involved is not serious, it presents another opening wedge after which will come further and further usurpation of the fields of private business."

HR-1992, he said, represents "just another encroachment by the federal government in the field of insurance. Its adoption will eliminate the private writing of aviation insurance. To meet this challenge, however, requires that you supply the gap yourselves."

Byrd's Talk Closes Meet at Pittsburgh

(CONTINUED FROM PAGE 2)

Pensacola, Fla., who was favored by many of the state directors, avoided all possibility of trouble by refusing to let his name be offered and personally seconding Mr. Thomas for the nomination. Throughout the convention, he took the unwavering position that Mr. Thomas had had more service on the executive committee, that he was the best qualified and the logical man and that under no circumstances would he (Mr. Brown) permit his name to be offered in opposition.

Had he not taken this stand, in all probability the state directors would have nominated Mr. Brown. This was not personal to Mr. Thomas, who commands both the liking and the respect of the entire National association. Rather, it was an indication of how Mr. Brown is regarded as the outstanding member of the National Board of State Directors. Last year at Chicago he stood out as one of the most potent figures in the adoption of the new constitution and did it without making any enemies. He was the first man elected to the executive committee by the state directors, and by a unanimous vote. He and Guy T. Warfield, Jr., Baltimore, were reelected to the executive committee this year and, barring unforeseen developments, Mr. Brown seems sure to be the leading candidate for vice-president next year.

James W. Close, Washington, D. C., general counsel War Damage Corporation, who was to have spoken the morning before, drew a laugh when he humbly acknowledged that he had heard about Washington being a madhouse, in great confusion. He said that he now

can believe such was the case, as he had forgotten entirely his assignment. He made an excellent impression.

Mrs. Ada V. Doyle of Caldwell, N. J., president National Association of Insurance Women, went to the platform and announced that a membership drive would be made locally in many points in November and she urged insurance employers to lend their support to it.

Public Relations Forum Outstanding Hit

The public relations forum was in charge of L. A. Grier of Spartanburg, S. C., chairman of the public relations committee of the National association. In his preliminary remarks he said that profits honestly earned are entirely respectable. He stated that insurance is misunderstood in some government circles.

By the time the first speaker, W. A. Robinson, vice-president New York "Herald Tribune," was introduced the auditorium and balcony were crowded and hence a loud speaker was arranged and many went into a side room to listen. Kenneth Spencer, New York, president Globe Indemnity, vice-president of the Association of Casualty & Surety Executives, was the insurance speaker. He was born in Marshall, Mo., graduated from the University of Missouri and after that was a newspaper reporter on the St. Louis "Dispatch" and St. Louis "Star." He announced that the association is establishing a research department which he predicted will be one of its most important departments. He said that the insurance men should put up as a slogan, "Give More to More and Ask Less."

James S. Adams, president Standard Brands, Inc., who is chairman of the National Industrial Information Committee, gave a talk and stated that the public believes in capitalism and the profit motive. Congress, he asserted, believes in free enterprise. He stated that the biggest post war job in his opinion will be one of production. He predicted a higher standard of living, there will be better economic security, greater economic freedom. He said that the country will seek leaders who have a program.

Senator Byrd's Speech

The high point in the program was the address of U. S. Senator Harry F. Byrd of Virginia, of the famous family

of "Tom, Dick and Harry." One of them, Rear Admiral Richard E. Byrd, is the great polar explorer. Senator Byrd, whose manner of speaking is very much like the admiral's, commanded the attention of the audience. He was forceful, forthright and candid in what he said. He did not mince words. He gave figures and data regarding bureaucracy that were astounding. He was escorted to the program by C. H. Alexander, Pittsburgh general chairman of the local committee, and G. V. Arthur of Winchester, Va., an intimate friend. Senator Byrd said that whenever an attempt is made to try to abolish bureaucrats new ones come up by executive decree. If he were president he said he would abolish 50% of the bureaus at once, he would discharge 50% of the employees of those not engaged in war work and then 25% of the rest. Among other startling statements, Senator Byrd said that in the last war the government had one civilian employee to every five men in the armed forces and now it has one to every two and a half—and over a million are men of draft age. He urged constant vigilance.

Senator Byrd said that the bureaucratic incubus is fast working in Washington. Among the other freedoms he suggested "freedom from bureaucracy." He stated that Congress is now the safeguard of the nation and urged his listeners to cooperate in seeing to it that representatives were elected that refused to bow to the bureaucrats. He suggested that a national crusade be undertaken which would shake Washington from stem to stern. He said that a forceful decision should be made by the people and that power should come from the people and not put in the hands of one man or one group. He said he hopes to see an upsurge of national indignation at the way things are carried on in Washington.

The ceremonies at the conclusion of

the convention of the National Association of Insurance Agents were, as always, very impressive and the crowd was much larger than usual. A large proportion of the tremendous audience which turned out to hear Senator Byrd remained. This year, for the first time, the election of officers had been held on Tuesday morning and the trophies awarded at the dinner the night before, so the ceremonies were much shorter than usual. However, the afternoon's program was so crowded that, despite this, the final session did not adjourn until after 6 p. m.

Escorts of Officers

W. Owen Wilson, Richmond, Va., who had been elected president in the same room one day short of seven years ago, was the installing officer. He reminded the audience that on that occasion he had been so flustered that he forgot to call upon W. B. Calhoun of Milwaukee to close the convention by his traditional leading of "Auld Lang Syne."

Two past presidents, Sidney O. Smith, Gainesville, Ga., and Frank R. Bell, Charleston, W. Va., escorted

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Barnes Los Angeles Speaker

LOS ANGELES—W. E. Barnes, Globe and Eagle Indemnity, spoke before the Casualty & Surety Field Men's Association of the Pacific Southwest on automobile accidents and their causes, and means of combatting them.

President John Gurash, American Surety, named his committees. He told of the educational program sponsored by the insurance organizations and urged all to participate in it.

Captain Scott Marine Speaker

NEW YORK—Capt. T. A. Scott of Merritt, Chapman, & Scott Corp., which is doing the Normandie salvage, will address the luncheon session at the annual meeting of the American Institute of Marine Underwriters Thursday.

President-elect Fred A. Moreton, Salt Lake City, to the platform. J. F. Morgan, Lewistown, president Pennsylvania association, J. B. Ladley, president Pittsburgh board and Past National President P. H. Midyette, Tallahassee, Fla., escorted W. Ray Thomas, the new vice-president.

T. J. Redden, Greensboro, N. C., and C. F. Liscomb, Duluth, past National president, escorted Mrs. Moreton. Mr. Redden, Quincy A. McBride, New Castle, Pa., J. W. Barr, Oil City, Pa., and H. C. Fry, Pittsburgh, who is associated with Mr. Thomas in the Logue Bros. agency, escorted Mrs. Thomas. Commissioner G. L. Neel of Pennsylvania administered the oath of office and the new officers made brief acceptance speeches, urging cooperation of all agents in solving the serious problems ahead of agents, the insurance business and the whole country.

Mrs. North Charms Crowd

Mrs. David A. North was given a tremendous hand when Mr. Smith brought her to the platform, where she was presented with a silver tea and coffee service. Mrs. North is so universally admired and liked that her standing with members of the National association needed no improvement, but her gracious speech of acceptance certainly cemented everyone's regard for her. She recalled that she first attended a convention of the National association in 1932 in Philadelphia, within easy driving range of her home city, attended every session, performed innumerable secretarial services for Mr. North and never knew until she returned home that there had been entertainment for the ladies. She said that some people think only a man operating a large agency should ever be president of the National association and others think an agent, to be successful, should stay out of association activities, stay home and mend his fences. For her part, she said she is very thankful that David North did not think so and that in her opinion he is a better agent for having been National president.

Mr. North closed the convention by thanking the members of the National association for their cooperation during his administration, saying that he is proud to have been the first president under the new constitution and that he had tried to conduct himself in accordance with the desire of the members. Mr. Calhoun then called for a rising vote of thanks to the Pittsburgh insurance men for their outstanding hospitality and ended with his traditional song leading.

CHICAGO

SHEA GOES WITH NELSON & CO.

Cleary J. Shea has become associated as a staff adjuster with Oscar J. Nelson & Co., well known independent adjusting firm, in Chicago. The past six years he was an adjuster with Wilson S. Levens & Co. He started his adjusting career with Lumbermen's Mutual Casualty in 1932, then was appointed adjuster in the Chicago service office of Commercial Standard. He is well known in insurance circles in the territory.

T. C. GUNN PROMOTED

T. C. Gunn, marine special agent for Hartford Fire in Cook County the past three years, will succeed George B. Rowe as special agent in charge of brokerage in the Cook County department of

Hartford Fire, Chicago, when the latter enters service Oct. 30.

Mr. Gunn has been with Hartford Fire 20 years. For 14 years he was in the automobile department in the western department at Chicago, and then transferred to the inland marine department there. He was for three years special

agent first in Illinois and Michigan, and then in those two states and Indiana. He will continue to act as marine special agent in addition to his new duties.

Mr. Rowe, with the company 17 years, has been special agent in charge of brokerage in the Cook County department for the past six years.

VIEWED FROM NEW YORK

LARGE FIRES IN SEPTEMBER

The New York "Journal of Commerce" lists these fires that occurred in September that are estimated to have caused a loss of \$100,000 or more:

New Haven, warehouse of cold storage plant, \$400,000; Rockland, Me., business block, \$250,000; Boston coal yards, \$100,000; Cambridge, Mass., double apartment block, \$200,000; Fall River, Mass., hotel, \$250,000; Roxbury, Mass., coal yard, \$160,000; Union City, N. J., parochial school, \$200,000; Bangor, Pa., furniture store, \$100,000; Philadelphia railroad station, \$250,000; Philadelphia, seven passenger cars, baggage and equipment, \$250,000; Tamaqua, Pa., lumberyard, \$100,000; Brandon, Vt., several three story buildings, \$200,000.

Also Parsons, Kan., theater, \$150,000; Louisville Trailer Company, \$200,000; Minneapolis, warehouse, \$100,000; Oxford, Neb., poultry house, \$142,000; Bellefontaine, O., round house and machine shop, \$3,000,000; Hamilton, O., warehouse and factory, \$200,000; Toledo, grease manufacturing plant, \$350,000; Toledo rubber company plant, \$300,000; Toledo Refining Company, \$350,000; Nashville, two story factory warehouse, \$300,000.

Also, Roanoke, Ala., cafe, 10 cent store and hardware company, \$100,000; Pensacola, Fla., jewelry and furniture company building, \$150,000; Reynolds, Ga., cotton gin, \$150,000; Hazelhurst, Miss., warehouse, \$200,000; Mt. Airy, N. C., building housing table company, \$200,000; Jacksonville, Tex., express company plant and cotton, \$125,000.

Los Angeles, wood industries plant, \$100,000; Idaho Falls, Ida., potato warehouse, \$100,000; Springfield, Ore., lumber company plant, \$100,000; Pullman, Wash., hangar, six planes and private Pullman, \$200,000; Ridgefield, Wash., lumber company plant, \$500,000; Richfield, Wash., shingle mill, sawmill and power house, \$150,000.

NEW BOOK ON WEATHER

The Princeton University Press, Princeton, N. J., has issued a new volume, "Weather Around the World" by Ivan Ray Tannehill. The author has spent 20 years at the U. S. Weather Bureau and is the author of "Hurricane: Nature and History." Mr. Tannehill in his new work tells about winds, waves, clouds, storms, ocean currents, water spouts and all other weather phenomena. The 55 illustrations include charts, maps and some very remarkable weather photographs. The weather in 185 key places is described, therefore, giving much valuable information. Mr. Tannehill, who was formerly chief of the marine division of the Weather Bureau, is now chief of the important division of synoptic reports and forecasts. There are 200 pages in the book. It sells for \$2.50.

REYNOLDS FETED IN N. Y.

Howard A. Reynolds of San Francisco, joint Pacific Coast manager of Home, and most loyal grand gander of the Blue Goose, was guest of honor at a cocktail party and dinner arranged by R. C. Williams, assistant general adjuster of North British and most loyal gander of the New York pond.

Others present included S. R. Howard,

New Jersey state agent of North British; F. L. Bross, New Jersey state agent of Yorkshire; R. F. Moore, New Jersey state agent of Boston; the following from Home: W. M. Krieger, assistant secretary; H. W. Puschel, assistant manager service department; W. P. Ohl, Jr., associate state agent in New Jersey; M. T. Polk, Jr., Nashville; J. E. Hughes, San Francisco; C. H. Flohr, Seattle, and C. E. Dana, Sioux Falls, N. D.; and the following from the Fire Companies Adjustment Bureau: G. W. Lilly, general manager; R. G. Bachman, assistant general manager; P. M. Winchester, assistant general manager eastern department and grand custodian; J. J. McDevitt, assistant general manager eastern department; J. F. Miazza, assistant general manager southwestern department, and W. T. Murphy, Newark manager.

UNPAID NET PREMIUMS

The Central Bureau of New York reports that unpaid earned premiums of fire companies for May were \$10,182, a decrease of \$2,880 from May, 1942. For casualty companies the figure was \$64,890, a decrease of \$23,935.

SEEKS JUNE 10, 24 ISSUES

The acquisition division of the New York Public Library, Fifth Avenue and 42nd street, in order to have a complete file of THE NATIONAL UNDERWRITER, desires to have copies of the June 10 and June 24, 1943, editions. Since these issues are out of print, the acquisition division of the New York Public Library asks that readers who no longer need copies of those issues present them to the library.

MOODIE TO LOYALTY GROUP

Horace A. Moodie has been appointed assistant manager of the New York branch of Loyalty group, for fire and casualty. He has been acting as special agent in the New York office since 1940. He started with North British & Mercantile and then became associated with Phoenix of London. He later was employed by National Liberty, first as assistant in charge of the eastern department, and later as New York City branch manager. Subsequently he was connected with National Union Fire as local manager, and just prior to his affiliation with Loyalty group he was with the general agency of C. W. Sparks.

Back from Long Houston Stay

B. L. Jones, supervisor eastern department Fire Companies Adjustment Bureau, has returned to New York City after being away 75 days handling claims arising out of the Texas hurricane. He was the last eastern department man to leave Houston, but J. W. Clark of Syracuse, Oliver Hickam of Buffalo, and E. A. McCaskie of Albany are still on the job in Galveston.

William C. James, special agent of Aetna Fire, Columbus, O., has enlisted and is now with the 140th anti-aircraft battalion at Fort Bliss, Tex.

Lt. Frank H. West, adjutant at the Pueblo ordnance plant, has been promoted to captain. Captain West is a member of the firm of Armit & West, local agents at Colorado Springs.

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COMPANIES

North British Makes Changes

H. B. Standen, secretary of the North British group, is assuming in addition to



H. B. Standen

his present duties the management of the metropolitan department in New York City, previously supervised by Secretary Willard L. Chambers, who died recently. At the same time North British announced the retirement of Owen A. Marrin, general agent in the southern department, on Nov. 6, to be succeeded by Harold L. Stroub. In Chicago Raymond C. Knaack has been appointed superintendent of the brokerage and the service division.

Mr. Standen joined North British in 1920 in the accounts department and in 1924 was transferred to the brokerage and service departments. In 1930 he became assistant general agent, and in 1939 secretary in charge of the brokerage and service department. He will continue to coordinate activities in the country-wide operations of brokerage and service including the general cover division involving nationwide accounts under supervision of General Agent E. P. Folley and the metropolitan inland marine division supervised by General Agent J. Russell Cardona. Frank Thonger will continue as chief underwriter of the metropolitan fire department.

Mr. Marrin retires after serving the North British group for more than 48 years. He started in the southern department in 1895 and advanced steadily. In 1922 he became assistant general agent of that department, and assumed his present post in 1929.

Mr. Stroub has been in the home office and field for the company for more

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than 28 years. He has been assistant to Mr. Marrin and agency supervisor in the southern department for the past 19 years.

Mr. Knaack has been assistant to the superintendent of the brokerage and service department in Chicago, and has had a number of years experience in the brokerage department of this and other companies.

Maxwell Retires at National Fire

S. T. Maxwell, executive vice-president of National Fire of Hartford, will retire Nov. 15 at his own request. Mr. Maxwell became eligible for retirement this year. He has been with the group 33 years.

Prior to going to the home office, Mr. Maxwell was a field man and an adjuster for five years for the Trezevant & Cochran general agency in Dallas, manager of the National companies' Texas, Oklahoma, Arkansas and Louisiana territory. He joined National Fire Oct. 1, 1910, and moved to Hartford the following January as executive special agent. He was successively elected assistant secretary, secretary, vice-president and executive vice-president of the companies, and he became a director of National Fire in 1923.

He was largely responsible for the creation and development of the new home office of the company and served as chairman of the building committee of the board. He will continue to serve as a director of National Fire and member of its finance committee. President F. D. Layton paid high tribute to Mr. Maxwell's notable contribution to the development and welfare of the company and its affiliates.

Collamore Elected Director

H. B. Collamore, vice-president of National Fire, has been elected a director to succeed the late F. B. Seymour. Mr. Collamore began his insurance career with National Fire in 1912, serving as an examiner until 1916 when he became Connecticut special agent for a general agency. After service in the war he rejoined National in 1919 as a field man in Texas and later in Pennsylvania. He became agency superintendent at the home office in 1925 and was successively elected assistant secretary, secretary, and vice-president and secretary.

Mr. Collamore is active in the Factory Insurance Association and Eastern Underwriters Association, is chairman of the West Virginia supervisory committee, a member of the New Jersey advisory committee and of the National Board standing committee on fire prevention and engineering standards.

New Director of St. Paul

W. H. Oppenheimer, member of the St. Paul law firm of Oppenheimer, Hodgson, Brown, Donnelly & Baer, has been elected a director of St. Paul Fire & Marine to succeed the late C. H. Bigelow, a director for 32 years. His firm has been general counsel of St. Paul for several years.

Michel Assistant Secretary

Lincoln M. Michel has been elected assistant secretary of Fire Association. A graduate of Williams College, he has been affiliated with Fire Association

throughout his entire insurance career. After training in the head office, he was assigned to special agency duties in Albany, being transferred after some years to similar duties in New York suburban territory. In 1938 he was called to the head office where he devoted considerable time to the development of use and occupancy insurance, and in May, 1942, he was appointed to management of the Philadelphia suburban and brokerage and service departments.

Mr. Michel will supervise the operations of the Philadelphia department in addition to his present duties.

FIELD

Connecticut Field Club Men Aid State Police

Members of the Connecticut Field Club are assisting state police in doing patrol work and acting as radio dispatchers on Saturday and Sunday afternoons and weekday evenings. Members actively engaged in this civilian defense work include: H. B. Ward, Boston; Harry Jordan, Hartford; Horace Anderson, Home; Kenneth Barnard, Security; Lawrence Moffitt, Crum & Forster; R. M. Parker, Standard of Hartford; Theodore Brown, Automobile; Gordon Brown, E. S. Cowles & Son agency; W. G. Bailey, Scottish Union & National; Wendell Harday, New Hampshire; Herbert Beach, Security.

A number of members have made several donations to the Red Cross blood bank, including Arthur Tyrol, special agent New York Underwriters and chairman of the field club's blood bank committee, fourth time; R. M. Parker, fifth time; Special Agents W. G. Bailey, Fred Miller, Liverpool & London & Globe, and Robert Mullen, National Fire, third time.

Mr. Parker spoke in behalf of the club before the Willimantic Rotary Club on fire prevention.

Michigan Pond's Outing

Michigan Blue Goose held its annual golf party and dinner at Bonnie Brook Golf Club near Detroit. Forty ganders played golf and 90 attended the steak dinner. Among those present were Commissioner Forbes and Deputy Commissioners Corell and DesAutels. Golf prizes of war savings stamps were awarded. The annual dance will be held in December and a winter meeting and stag in January. Monday noon luncheon meetings are being held.

Continue Waterloo Duck Dinner

DES MOINES—Paul James, Des Moines attorney, spoke before the Iowa Blue Goose at its weekly luncheon on post-war plans.

It was announced the East Iowa puddle will sponsor a duck dinner at Waterloo on Nov. 9. The Waterloo duck dinner has been an annual affair for Iowa field men and was originated by the late H. Verne Myers.

American Changes on Coast

James E. Stone has been appointed special agent in northern California and the bay area for American to take the place of E. J. Woods, who has resigned. Succeeding Mr. Stone as special agent

in Sacramento is Roger Leidy, who has been an examiner in the Pacific Coast office.

Mr. Woods has bought an interest in the local agency of R. R. & J. Emperan at Sonoma, Cal. He has been with American 22 years.

Mr. Stone's father at one time was assistant Pacific Coast manager of National Fire.

Kissam New Jersey Speaker

The New Jersey Field Club will hold a luncheon meeting in Newark Oct. 25. Richard S. Kissam, district manager Stock Company Association, New York City, will speak on "The Stock Company Association and Its Relations with the Agent."

Victor L. Pitchford has been elected to the executive committee to succeed L. Gilbert Clark, who has joined the navy.

Nelson Gives Impromptu Broadcast

N. K. Nelson, Topeka, Great American state agent, principal speaker at a fire prevention rally in Great Bend last week, was put on the air for a 30-minute broadcast with only a very few minutes notice. When he had finished Mr. Nelson was informed that he was on a state-wide hook-up from the local station there. C. T. Nichols, western Kansas state agent of Springfield, who resides in Great Bend, is chairman of the fire prevention committee of the chamber of commerce, which sponsored the program.

Kansas Fall Splash Oct. 29

Russell N. Colvin, American, Topeka, most loyal gander of the Kansas Blue Goose, while on a visit to the Sunflower puddle at Wichita urged attendance at the "fall splash" Oct. 29 in Topeka, following the Kansas agents' convention there. A banquet and entertainment will follow the meeting and initiation.

Sgt. W. E. Stewart, Kansas state agent of North British, who was in Wichita on a furlough from Camp Haan, Calif., told of some of his interesting experiences at the Wichita Blue Goose luncheon. He is expecting early transfer to another base.

Mo. Inspections Planned

The Missouri Fire Prevention Association has inaugurated a program of town inspections for the fiscal year, and six towns are already set up. The farm fire prevention program of the group is headed by Hugh J. Ramsey, Home, and A. B. Potts, Hartford Fire.

Wallin to National Union

National Union Fire has appointed W. W. Wallin as state agent for New Jersey. Mr. Wallin joins National Union after several years' experience as an underwriter, special agent in New Jersey and more recently as special agent in western New England. He will main-

tain headquarters at 31 Clinton street, Newark.

The Oklahoma Fire Prevention Association will inspect Idabel Oct. 28. Colgate was inspected recently.

Navy battle movies will be shown at the Oct. 25 dinner meeting of the Seattle Blue Goose.

The Fire Prevention Association of Ohio will inspect Massillon Oct. 28. Harry K. Rogers, Western Actuarial Bureau, Chicago, will speak.

A new type of high explosive bullet designed particularly for use in anti-aircraft and airplane guns has been nicknamed the "Blue Goose" by the service men.

Ind. Cold Storage Ruling

Commissioner Viehmann of Indiana is issuing a ruling to the effect that meats, game and other produce held in cold storage lockers for processing, transportation or storage may now be covered under inland marine policies in Indiana. There has come to be quite a demand for this coverage in Indiana due to rationing and the consequent storage of perishable meats and products in cold storage lockers.



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long illness. She lived in Melrose and was a member of the Republican state committee.

Hugh S. Byrkit, 72, who retired as treasurer of Western Millers Mutual Fire in 1941 and then returned to his post last January, died in Kansas City.

Guy B. Bowden, president of Mutual Insurance Underwriters Agency of Seattle, died of a heart attack. He was a native of Covington, Ga.

L. J. P. Cutlar, 67, president of the Marion Insurance & Trust Company, Marion, N. C., died there after several weeks illness.

Walter W. Sukow, manager of the branch office of the Travelers Fire in Milwaukee, is mourning the death of his father, **August Sukow**, at Wauwatosa, Wis.

Late Casualty News

Barfod, Van Buskirk Get Prison Terms

Einar Barfod, former insurance commissioner of Pennsylvania, was sentenced to one year in county prison and fined \$1,000, and H. E. Van Buskirk of Garden City, N. Y., got a two year sentence and a fine of \$1,000 in Quarter Sessions court in Philadelphia Monday. They were convicted last March of embezzlement and conspiracy in manipulations involving Coal Operators Casualty of Pittsburgh. Barfod for a time was treasurer of Coal Operators and Van Buskirk was president. They were charged with having illegally acquired possession of Coal Operators and using its assets in order to obtain a \$250,000 loan from the Girard Trust Company which was diverted to their personal use. Most of the money was recovered and Barfod and Van Buskirk were completely removed from Coal Operators. Barfod served as Pennsylvania commissioner under Governor Pinchot. He was a financial writer for a newspaper at one time and was a crusader against bucket shops.

Standard Acc. Has Low Bidder on Big Project

The B-W Construction Company and Sherry-Richards Company was the low bidder for war housing project Illinois 2-7 to provide 1,500 housing units in the Pullman district of Chicago. Their bid was \$7,597,000. Standard Accident wrote the bid bond and presumably will write the performance and payment bonds if this combination of contractors gets the award. A 50% performance bond and a payment bond of \$2,500,000 are required. This is a public housing project of the FPHA. The bids were opened in Chicago Tuesday.

Krauel Tells Experience in Inducting New Men

LOS ANGELES—A. C. Krauel, director of sales of the Paschall-Gist Co. general agency of Pacific Mutual Life, gave a practical, straight-from-the-shoulder talk on "Induction of New Agents" before the Accident & Health Managers Club of Los Angeles.

He told of interviewing 210 men during the year who wanted to come into insurance. He finally selected 36 whom he could have hired, but he actually hired only 14. He said 85 out of every 100 new agents failed by the end of the first year and only two remained at the close of the second year. He declared that 90% of the insurance sold is sold by 10% of the agents, but that the income of that 10% is higher than a similar group in any other profession, and that every one of that 10% has the same characteristics. The success of the insurance business, he declared, is built on the carcasses of the men who have failed.

He said today there is the greatest opportunity to hire new men, but not by the methods used for the past 50 years.

Cal. Convention Plans Announced

SAN FRANCISCO—The opening session of the annual meeting of the California Association of Insurance Agents here Nov. 15-17 will feature a presentation in charge of John T. Breckon, B.D.O., on "Your Agency Can Be More Profitable." F. L. McDowell of Riverside and H. H. Hendren of Sacramento, both past presidents, will illustrate their methods of creative selling of various lines. Walter Bennett of Los Angeles will summarize the presentation.

Tuesday afternoon will be devoted to executive session for agents only and election of officers.

Instead of dividing the session on agency management and operation into two sections according to size of agencies, it will be handled in one session Wednesday morning with W. P. Welsh, Pasadena and Ernest Cochrane, Fresno, as co-chairmen.

The banquet and installation of officers will be held Tuesday night.

Anti-Trust Bill Sponsors Speak

(CONTINUED FROM PAGE 1)

dual form of government, to preserve the vital principle of local self-government, and to resist federal centralization rather than cultivate it. The federal government ought to respect and preserve the states . . . in order to preserve the unity of the people in the American tradition. Even now top-heavy with centralization, let the Congress act to arrest a process fraught with menace to the people, to the states and to the federal government itself."

Senator Ferguson asked if there had been any other instances where the Department of Justice had gone ahead on its own to extend the federal government's power to functions previously the province of the states. Senator Bailey said that such action had never been taken without Congressional action.

Senator McCarran said he was disturbed that Congress should be compelled to enact legislation to affirm its intent regarding the insurance business

after the courts, including the court of last resort, had repeatedly stated that insurance is to be regulated by the states. He expressed concern about what this signified, asking why it should be necessary for Congress to be continually on guard to see that its intentions were not contravened.

Judge Sumners spoke emphatically of the danger of any further shift of authority from the states to Washington, saying that there is already more power in Washington than is susceptible of popular control. The shift of power should be back to the states, he said, adding that if this were accomplished "maybe we wouldn't have to go home and find out what legislation we had passed."

"There's all this talk about democracy," he declared, "but there's still this shift of power to the government which can only be administered by bureaucracy—well, I guess I better quit talking."

"No, I think you better keep on talking," Senator Ferguson remarked.

Representative Hancock made the point that if the Atlanta decision in the Southeastern Underwriters case were reversed by the Supreme Court the companies would be violating the federal law if they obeyed the state laws.

After Chairman Van Nuys announced that Attorney General Biddle would appear at next week's hearing, Senator Ferguson said he supposed that Biddle would bring the reason why the Department of Justice has gone ahead with its case against the fire companies despite the decisions of the Supreme Court.

Chairman Van Nuys inserted in the record the letters from more than 20 governors, all favoring the legislation, in answer to his circular letter. Senator Ferguson also filed a similar letter from the governor of Michigan. Senator Bailey filed letters from the governor of North Carolina, Insurance Commissioner Hodges of North Carolina, and from the North Carolina Association of Insurance Agents.

Herter Upholds States Rights

BOSTON—Congressman Christian A. Herter of Massachusetts told members of the Boston Accident & Health Association, representing some 50 casualty companies, that "it is not possible to expect that the insurance business could

Senator Ball Changes Stand on Van Nuys Bill

U. S. Senator Ball of Minnesota, who was quoted last week as opposed to the bills to exempt insurance companies from the Sherman and Clayton acts, has given further study to the situation and evidently has changed his mind.

In a letter to J. M. Harrison, resident vice-president of Marsh & McLennan at Minneapolis, Senator Ball said:

"I have been doing some digging on the bill and have just about reached a decision to support it. I was reluctant at first to commit myself simply because it is my conviction that we need to increase freedom of competition in order to preserve free enterprise after the war.

Specialized Business

"However, I have discussed the issue involved here with a number of people and I am convinced that the insurance business in the first place is a very specialized business and that the states now have built up an effective system of regulation which does not by any means eliminate competition and that to bring them under federal jurisdiction would require that the federal government enact legislation to replace that of the states, leaving the whole industry in chaos during the interim.

"So, unless the Justice Department, which I understand is the only opponent of the bill, can present some stronger arguments than I have heard, I am going to vote for the legislation."

be better cared for by the national government than by the individual states due to the many different local problems which are inherent in each of the states." The speaker declared that the upholding of states' rights meant the necessity of keeping the supervision of the insurance business in the hands of the state authorities.

President John S. Whittemore of the association also introduced John W. Downs, counsel for the Insurance Federation of Massachusetts, who outlined legislative problems.

The membership committee announced 35 new members since the last meeting, making the Boston organization one of the largest in the country.

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Two Governors Address Zone 2 Commissioners

Broughton of N. C. Urges Appraisal of Private and Government Spheres

With Governors Martin of Pennsylvania and Broughton of North Carolina and Lieut. Governor Bell of Pennsylvania giving addresses, the meeting of the Zone 2 commissioners of the National Association of Insurance Commissioners at Harrisburg, Pa., was an outstanding occasion. In addition to the



G. A. BOWLES

host commissioner, Neel of Pennsylvania, the commissioners present were Crabbe of Ohio, Swain of Delaware, Ensor of Maryland, Hodges of North Carolina, Bowles of Virginia, the Zone 2 chairman, and Harrington of Massachusetts, president of the National organization. West Virginia was represented by Deputy Harlan Justice and New Jersey by Actuary A. N. Guertin. Mr. Bowles was accompanied by Judge Ozlin, chairman of the Virginia corporation commission. The business sessions were held at the state house.

Lieut. Governor Bell was the principal speaker at the luncheon meeting. He spoke in favor of state supervision of insurance and declared that the preservation of home rule by the state is not a "cry of jealous commonwealths." He called upon insurance companies and agents to manage their affairs in the public interest. He said the insurance commissioners should be conscious of their responsibility first to the public and secondly to strengthening the companies in the public interest and to improving the practices of companies and agents. All should join in fighting federal encroachment irrespective of whether it is under a New Deal or Republican administration.

With many ladies present, Mrs. Martin, wife of the Pennsylvania governor, was host at a dinner party at the executive mansion, for the commissioners' ladies, at which Mrs. Broughton, wife of the governor of North Carolina, was guest of honor.

At the banquet more than 200 insurance people were present to hear Governors Martin and Broughton. Many

(CONTINUED ON PAGE 32)

Agency Operation and Management Discussed

One of the important features of the National Association of Insurance Agents which is carried along from year to year is that devoted to agency operation and management. The groups are divided into three sections: Group 1, which represents agents producing up to \$100,000 in annual premiums; group 2 includes agencies producing from \$100,000 to \$300,000, and group 3 for agencies producing over \$300,000. The latter are the big fellows in the business, the great premium producers. Out of these conferences come many interesting discussions and those who attend them carry home something worth while.

GROUP NO. 1

(Agencies producing up to \$100,000 in premiums.)

Tom J. Neff, Wheeling, W. Va., presided over Group 1, for agencies producing up to \$100,000.

The session opened with preliminary statements from four speakers representing the buyer of insurance, a loss adjuster, manager of a casualty branch and a local agent or producer.

Representing the buyer, A. W. Oppenaw, cashier of the Bank of West Virginia, described the buyer's interest in insurance as viewed from his banker's standpoint. It is apparent, he said, when a client of the bank exhibits his insurance, how competent the agent who sold it may have been. "The average owner of the insured property does not know what to expect from his insurance until he has had a loss," he said. The public is much more fire insurance minded now than in the past and there is seldom any longer a loss without some insurance to cover it, even though it may be inadequate.

Changes in Values Rapid

The changes in values are rapid in these days and the banker gets his idea of an agent's alertness by the changes shown in policies of his clients. The smaller business enterprise is depending more than ever on the service rendered by its agent. In the majority of cases, because of rapidly changing conditions, most applicants for loans do not have adequate insurance for the bank.

Bankers note the trend of insurance buyers to turn over to one agent their insurance business rather than dealing with five or six. They feel they will get better service where there is individual responsibility.

Loss Adjuster Heard

J. S. Campbell, president of the Keystone Adjustment Bureau, Pittsburgh, emphasized the importance of having the insured property properly described in the policy. He cited an instance where a loss occurred on property whose owner named in the policy had been dead thirty years. This involved court action and appointment of a guardian for one heir who was in an asylum and a long delay in final settlement.

Carelessness with street numbers and even names of streets always lead to serious consequences in event of loss.

Expect Fair Treatment

Insurance buyers have a right to expect fair and honest treatment in adjustments and agents should influence their insured to expect it. It is always well for the agent to introduce the adjuster to a loss claimant and to assure him that he get what he is entitled to under the policy. That gets the adjustment off to a right start. He told of a case where he found the claimant sullen at the start but as the day passed the atmosphere cleared and, when final,

satisfactory adjustment was made, the insured commented on how easily it worked out. Asked why he thought it might be otherwise, he said the agent had warned him to "watch every step or he'd be skinned."

Insurance Manager Heard

C. H. Bokman, Pittsburgh manager of the New Amsterdam Casualty, said that the insured has a right to expect of the insurance he buys security and service. Of the agent he expects his policies will be written correctly.

Mr. Bokman emphasized the value and importance of the company's inspection service, which gives the agent a good knowledge of each risk and its needs.

The insured has the right to expect the agent to keep him protected by up-to-date policies and forms and the agent's guidance as to procedure in event of loss.

The agent should sell business on a year around basis, not forgetting the policy as soon as delivered.

Importance of fully explaining coverages to buyers was emphasized. Clients should not be oversold—should not be made to pay for coverage under which they could not collect. Policies should be tailored for the risks they cover.

He touched upon the importance of a broad public relations program, one not restricted to one or two objectives.

Buyers of small policies are entitled to proportionate service and these often grow later into important business.

Views of an Agent

G. D. Latham, a successful agent in Pittsburgh, advocated looking ahead in reference to each policyholder's needs, that an agent should conduct his business on an over-all cover for each client. "The insurance buyer has a right to expect the agent to have some knowledge of values," Mr. Latham said. To this end the producer should study the business of his client and learn all he can about it so he can recommend intelligently the insurance coverages and amounts needed.

It is important to give the insured the best price possible at the start. If he doesn't his competitor will later pick up the business.

The buyer should be kept posted as to changes in policies and forms, Mr. Latham said. The agent should use available sources to keep himself up-to-date.

Discussion Panel Formed

These four speakers with Mr. Neff then formed a panel.

It was brought out that buyers of fire and casualty insurance usually know the name of the agency from which they buy but not the names of the companies whose policies they receive, which, it was pointed out, incidentally, is the reverse as to life insurance.

One speaker said there should never be an atmosphere of conflict between adjuster and claimant, answering a suggestion that such was sometimes the case.

In some important quarters it was thought the buyer is getting the idea that agents are not well posted on policies and forms. This started a discussion of audit services by more or less competent independent counsellors.

Agents should not be afraid to take home office experts to clients when such service is needed for fear of impairing the confidence of their clients. It can be so handled that the client will be grateful for what he recognizes as valuable expert service.

More and more it is apparent that agents must know as much as possible about their business.

On this point J. Dillard Hall, assistant agency director of the U. S. Fidelity

Oppose Requiring Special Reserves for War Liability

Commissioners Group at N. Y. Hearing Is Impressed by Company Position

NEW YORK—The way the war is going today as compared with last June lent increased weight to the contention of fire and casualty company representatives who appeared before a sub-committee of the examinations committee of the National Association of Insurance Commissioners to restate their grounds for believing that no special reserves need be set up to take care of possible war risk liability. It was the same story that they told at the commissioners annual meeting in June. The sub-committee, headed by Gough of New Jersey and with Allyn of Connecticut and Bowles of Virginia, appeared impressed by the companies stand and gave no reason for anyone to feel that they would disagree with it when they report to the full examinations committee.

H. C. Conick, assistant U. S. manager Royal-Liverpool, mentioned the companies dual roles as fiduciary agents and as participants in profits or losses up to a maximum of \$20 million and said it was felt that the question of reserves was purely academic, that there was no basis for setting up reserves and that "we have nothing against which to put up reserves."

Casualty representatives pointed out that the main war hazard was in workmen's compensation and that the rating basis was so responsive to experience that extraordinary losses due to bombing would readily be taken care of by subsequent rate increases. Cornelius Van Der Feen, National Bureau of Casualty & Surety Underwriters, said that the rating method would permit developing the loss experience down to the latest date either regularly or as an emergency measure.

Statement by Murphy

Ray Murphy, assistant general manager Executives group, filed a statement on behalf of the bureau companies. He read a passage stating that in view of the way the war is going, extra premium loadings to enable companies to set up special reserves "might not appeal to the public as warranted."

In the case of both fire and casualty carriers it was pointed out that the "ear-marking" of special reserves would not strengthen a company's position unless there were a corresponding increase in premium out of which to set up the reserve.

S. B. Perkins, secretary accident and liability department of Travelers, made the point that the casualty companies' position is satisfactory if they can have faith that the commissioners will per-

(CONTINUED ON PAGE 23)

& Guaranty, called attention to the important bearing on the business exerted by the American Management Association of New York, of which he is a member. This body is composed of the representatives of large industries who are responsible for placing insurance on their properties. They are so well posted on all coverage that they buy rather than stand in the position of being sold. They know what they want

and order it. They study the business of insurance with an earnestness and diligence that should be a challenge to insurance agents. The organization has a strong insurance department.

Agency qualification measures were touched upon. The business should be kept clear of those not properly qualified to represent it.

GROUP NO. 2

(Agencies writing between \$100,000 and \$300,000 in annual premiums)

Group 2 had five subjects on its agenda: First, graded expense plan for workmen's compensation, rationing, need for strong financial structure in agencies, war activities of agents and post war problems. J. M. Hannaford of St. Paul had been named as presiding officer but ill health kept him away. Therefore, presiding in his stead was John K. Boyce, Amarillo, Tex.

Guy Saunders of Amarillo discussed the subject of proper financial structure of agencies. He said that policyholders have confidence in their agents that they will be given proper protection in good companies. If an agency is weak financially it tends to destroy confidence. If an agency shows evidences of carelessness, that impairs faith. He said that actually very few agents are dishonest. However, many of them get their own funds and those of companies confused. They do not know where they actually stand. He said a trial balance should be taken every month. In this way credits or charges for changes are caught that have not been entered. Where an agency has a large premium risk he said it needs a bigger cushion in case of cancellation where it may have to stand large return commissions. He said that by putting up ample reserve an agent insures his own agency.

Procedure of Some Agencies

In the discussion one agent said that he had a profit and loss account so that at the end of each month or at the end of a certain number of months he knows just what profits have been made. One agent who represents an incorporated agency said that he keeps two distinct accounts, corporate account and the trustee account. His bank, he said, has the name of every company represented. His agency secured a use and occupancy line where the premium was \$60,000. He said immediately the commission on this line was frozen so that the agency would have the money in case of cancellation. Where these big premiums are written, he said, a proper reserve should be carried. It was brought out that under the Texas law it is impossible to incorporate an insurance agency.

Put Up Reserve for Taxes

Discussants suggested that a local agent should put up a proper reserve to take care of his taxes which are increasing. One delegate who had a partner said that each drew 50% of his earnings and set the rest up as a reserve for emergency. Another delegate called attention to a California law which made it compulsory on agents to separate their accounts, one for the personal end and the other for the companies. This was pretty much violated, however, until Judge Caminetti became commissioner and then he began to enforce the law. He said that this had had a very salutary effect. Another agent said that his agency paid companies their amount 10 days after the first of the month. Therefore his office doesn't get caught with funds tied up in banks.

Workmen's Compensation

Ralph W. Howe of Richmond, who is chairman of the casualty committee of the National Association of Insurance Agents, discussed the workmen's compensation subject saying that his committee began conferring with executives in 1940 when it was found that more or less disturbance prevailed. The companies brought up the subject of so-called modified premiums and graduated

Some Selling Points on New Residence Policy Are Given

Cravens, Dargan & Co., Houston, makes several pertinent suggestions on selling of the new residence and outside theft policy in its "Review." "Residence and outside theft" are not selling words, and alert salesmen will call it something like "family, home and travel theft policy," the Review states. The policy might be defined as an "all-place all property family theft policy."

The agency suggests that the agent avoid giving a quotation on \$1,000. Most prospects need much more coverage than this, and if any subtracting is to be done, the prospect should be permitted to do it. Furthermore, any quotation of the cost of the first \$1,000 immediately puts on the agent the necessity of making a new sale covering each additional \$1,000 of value that is added. The suggestion is made that the agent start off with a quotation of \$3,000 or \$5,000, or whatever amount he feels the prospect needs and which he can determine by studying the figures on household furniture fire policies and increasing them to allow for personal effects or other valuables. The agent can also get this information by asking about the value of rugs, musical instruments and other specific items. All experience under home burglary insurance shows that the record for underinsurance is consistent.

The "Review" states that while price and mysterious disappearance are the two outstanding features of the policy, there are secondary sales appeals. There are no requirements as to schedules of property, appraisals except for specific insurance, and insurance to value.

expense. He said that competition had been met largely by rate readjustments and therefore the rates being reduced were legalized. He said that in some 6,000 cases a year the bureau was called on to readjust rates by the equity plan. However, the bureau was unable to tell what the agents received from these readjustments in the way of commissions. There was no record for this. He said that his committee secured copies of the various rating plans. Both the company and agency committee agreed on certain fundamentals. There was a difference of opinion on commissions. For instance, on the smaller risks 17½% was paid to agents then on the next bracket 12½ and then 7½. The agency committee contended that the drop from 12½ to 7½ was too drastic and there should be a 10% interlude.

Four Point Plan Adopted

Finally the present four point program was agreed on. He said that any plan cannot work out satisfactorily unless the agents are for it. Now the agents have the guaranteed cost plan and then Plans A, B and C with their retrospective features. Plan A has no penalty clause, the other two have. He said when it came to running the companies down as to where they could make any further sacrifice themselves, there seemed to be only one source and that was engineering and claim service for which there is a 2½% loading. He did not think there is any justification in demanding that that loading be decreased.

For the mine run of agents and for the mine run of risks, Mr. Howe said that undoubtedly the guaranteed cost plan would be most satisfactory. The assured and the agent therefore have something definite and there is no speculation in it. The retrospective plans are designed for the higher premium risks where the assured believes that his loss ratio will be favorable and therefore he can get better returns. He said that the present plan puts in the hands of agents better tools and where agents have large risks there is an opportunity to do something for them. In plans B and C there are greater returns,

(CONTINUED ON PAGE 32)

Travelers' Publicity Head Active in Red Cross



CLARENCE W. VAN BEYNUM

Clarence W. Van Beynum, manager of publicity for Travelers, has been named vice-chairman of the Hartford Red Cross blood donor service committee. He has been active in publicizing the blood donor service and is himself a regular blood donor. Mr. Van Beynum's interest in this phase of Red Cross work is further emphasized by the fact that he has two sons in military service overseas: Robert H., as a captain attached to a bomber squadron in England, and William J., as a lieutenant serving with the army medical corps in the far east. Both C. W. Van Beynum and Capt. R. H. Van Beynum formerly served on THE NATIONAL UNDERWRITER editorial staff.

Fidelity-Surety Big Field for Post-War Activity

LOS ANGELES—F. S. Plews, assistant manager of Travelers casualty department, addressed the Associated Agents Committee on "Postwar Planning for Insurance Agents."

He said the agents are in a preferred position because they can take the planning out of the visionary stage and put it to practical use now. By developing fidelity and surety business now they will be ready to write the insurance and the bonds that will be required on the enormous post-war public works program, and the great industrial development that will follow.

He pointed out that fidelity and surety lines also offer a means to make contact with the newcomers to southern California, also those who will reenter private industry after the war.

He said that the agents are failing properly to service their clients in respect to fidelity and surety lines, and are missing an opportunity that if taken advantage of will result in better and larger business totals.

E. H. O'Connor in East

E. H. O'Connor, executive director Insurance Economics Society, is now in New York, discussing future plans and procedure with Ernest V. Sullivan, who recently became publicity director of the society, and Gerhard Hirschfeld, research director.

Mr. O'Connor's talks include Passaic (N. J.) Rotary Club Oct. 19 and a large

Escalator Clause Is Added to Insurance Lexicon

"Escalator clause" is a war-born addition to the insurance lexicon. It refers to an agreement in an insurance policy of a war contractor that the rate may be increased or decreased at a specified schedule depending on whether there is a change in elements of the insured's costs, after the work is commenced, that either expand or restrict the premium base without at the same time altering the measure of the insurer's liability.

The clause is used mainly and perhaps exclusively in workmen's compensation contracts to take care of the possibility that the wages that the insured will have to pay may be either greater or less than the figure upon which his contract with the government was negotiated. A contractor, for instance, might expect to be able to get labor at \$30 a week and base his figures on that expectation. The work perhaps is to be performed in a jurisdiction on which the maximum weekly indemnity under the compensation law is \$18. Under an escalator clause, if he is actually compelled to pay \$35 for the labor then the compensation premium rate would be correspondingly reduced. The maximum weekly indemnity would remain at \$18 and the insurer's liability would not be increased by reason of the wage scale higher than was contemplated, were it not for the escalator clause. Likewise, if the contractor should be able to get labor for \$25 a week, under the escalator clause, the insurer would collect a higher premium rate.

The insurance escalator clause usually goes hand in hand with a similar clause in the insured's contract with the government or with a prime contractor. Under such an arrangement the contractor gets a higher payment per unit from the government if the wage scale is higher than that which was contemplated initially and he receives a lower payment per unit if he is able to save on labor costs.

Nashville Branch Opened

NASHVILLE—B. F. King, vice-president from the home office in Los Angeles, attended the opening of a new southeastern division office of Pacific Employers here. Charles C. Diehl, formerly with American Casualty, resident vice-president in charge of the new branch, has announced that an auditing, safety engineering and claims division is being set up. Dan McGugin, Jr., local attorney, is to be division counsel. The office will handle the insurance of the local Vultee plant and other war material plants in the southeast.

Favor Va. Responsibility Law

RICHMOND—Enactment of a strong financial responsibility law instead of a compulsory insurance act will be recommended by the legislative commission studying the question of compulsory motor vehicle insurance, which was created at the 1942 session of the Virginia general assembly, it is reported on reliable authority. This would follow the tendency indicated by the commission some time ago. The group, headed by Senator Ralph Daughton of Norfolk, held another meeting in Richmond last week. It is now drafting a final report for submission to Governor Darden some time in the near future.

Details of the bill will not be released until the tentative draft of the measure and the accompanying report go to the governor, which should be in the next few days.

meeting of insurance men Oct. 21 in Newark, sponsored by the life underwriters.

Gives Non-Can Mass. Oppose Requiring Accident Decision Special Reserves

Court Upholds Receiver in Treatment of Dissenting Policyholders

The Massachusetts supreme judicial court has given a decision determining the basis upon which non-cancellable A. & H. policyholders of Massachusetts Accident who did not assent to the reinsurance of the business in Union Mutual Life, may recover. The court approves the plan proposed by the receiver which provides that the value of the insurance coverage of the non-cancellable policies held by persons not disabled on the date of the receivership is the present value as of that day of the benefits that would have been payable if there had been no insolvency, less the present value as of that day of the gross premiums which would have become payable but which, because of the insolvency, need not now be paid.

The court rejected the recommendation of some of the non-assenting claimants that the measure of the damages should be the difference between the present value of the cost to the policyholder of going on with his policy and the higher present value of the cost of an equivalent policy in a solvent company. The court says that no equivalent insurance was obtainable on the date of the receivership of Massachusetts Accident. Massachusetts Accident wrote 19 kinds of non-can policies differing in such respects as the age to which they were renewable, the conditions, terms, amounts of total and partial disability payments, waiting periods if any and there were four classifications of risks according to the occupation of the insured. Policies in other companies differed from those in Massachusetts Accident and from each other in respect of these and other important matters.

Calculates \$2,525,557 Reserve

The receiver under his formula calculated a "reserve" representing the total liability on the non-can policies amounting to \$2,525,557. This consisted of an unearned premium reserve of \$162,200 and the sum of \$2,363,356 designated "additional active lives (non-disabled) reserve." The latter represents the accumulation of value that ought to be in the policies because of the level premium. It is the net present worth of the future benefits to be anticipated from the policies. The court rejected the contention of claimants that in calculating the additional active lives reserve the present value of future net premiums instead of the present value of future gross premiums should be deducted from the present value of future expected benefits.

Also the court upheld the receiver's use of 3 1/4% interest tables rather than 3% as demanded by the claimants. The court rejected the contention of the claimants that the 1937 standard annuity table ought to have been used in computing the additional active lives reserve.

The court did direct the receiver to recalculate the reserve on the basis that the rate at which non-disabled policyholders will become disabled remains constant after they reach the age of 65.

Waiver of Premium

The court rejected the plea that in the reserve there be an allowance in computing the present value of premiums for waiver of premium during disability riders or for other riders on some of the policies.

The master has calculated a claim reserve of \$2,431,252 for disabled claimants holding non-cancellable policies. There was no attack made upon this reserve but it is subject to certain corrections. The court concludes that dis-

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mit compensation rates to be raised if necessitated by bombings, even though the war's end might cause some to say that since there was no more danger the increases should not be permitted.

Gough raised the question of the legality of a company earmarking any of its funds for a special purpose without special legislative authority. Could a company say in the event of a catastrophe, he asked, that "we can't use these funds to pay losses because we have earmarked them for a special purpose."

Carrying this thought further, Mr. Perkins advanced the theoretical possibility that a company could earmark all its funds for various specific purposes, leaving nothing out of which to pay claims due to war damage.

Mr. Van Der Feen said that compensation is the only casualty risk with a war catastrophe hazard. The war hazard is excluded from boiler and machinery insurance, which would otherwise present a catastrophe hazard. The catastrophe risk has been removed from plate glass coverage by excluding it from policies written since October, 1942. This means that one year policies written before that have expired while the companies have reinsured the war risk on term policies written before October, 1942, with the War Damage Corporation.

R. H. Lord, secretary Manufacturers Mutual Fire of Providence, was on hand for the mutual fire companies.

The sub-committee is the successor to a sub-committee of the executive committee composed of Harrington of Massachusetts, McCormack of Tennessee, and Former Commissioner Gontum of Maryland.

abled policyholders have no priority over non-disabled policyholders or over creditors who are not policyholders.

There are, however, according to the court, a few claims of policyholders which are entitled to priority. From the first appointment of the receiver Aug. 23, 1939, until the decree of Feb. 23, 1940, the receiver continued to pay in full in the due course of business losses as they accrued on policies. When the receiver took over some claims for accrued losses actually sustained were unpaid and were disputed by the company and the receiver continued to contest these claims. Some of the claims have since been or may be established through proper proceedings and the receiver should now pay in full such disputed claims, whether they accrued before or after the appointment of a receiver, insofar as it has been or shall be finally established that they actually accrued and became due and payable before Feb. 23, 1940.

Value of Cancellable Line

The question arises as to whether the value of the cancellable A. & H. business of Massachusetts Accident, together with the agency organization and good will of the company as a going concern should be included as an asset in calculating the dividends on proved claims, and if included at what value it should be taken. The master finds that on all evidence such assets had a value of at least \$200,000. The court said it must be presumed that he made it upon a solid foundation of facts and not upon guess or conjecture. The receiver contended that the value of the cancellable business should be ascertained by what Union Mutual paid for it but that is difficult to determine because Union Mutual in order to get the cancellable business had to agree to expose itself to burdensome obligations with relation to the non-cancellable business. The agreement does not disclose any separate price paid for the cancellable business. The master's finding of a

Problems of Ill. Truck Act Enforcement Told

The current discussions that are being conducted in Illinois with respect to the enforcement of the licensing and insurance requirements for trucks grow out of an unsatisfactory administrative situation.

The Illinois truck act requires that every truck operated in Illinois carry insurance. Of course, every truck must also be licensed. However, the license act is administered by the secretary of state's office, while the truck act is administered by the division of public works and buildings. Consequently, there has been no tie up between the license and the insurance requirements. As a result, trucks have been licensed to operate on the highways of Illinois even though they had not met another requirement of Illinois law that they also carry insurance.

There is another law in Illinois that requires that every truck operated in Illinois shall be submitted to an approved testing station for inspection twice a year and shall obtain a certificate of safety. This certificate of safety is issued by the testing station following the inspection. Rules and regulations under which the tests are made are prescribed by the division of public works and buildings. However, the law further provides that no truck shall be licensed unless the truck owner submits with his application for registration a copy of his certificate of safety. Since the certificate of safety is issued direct by the garage following the inspection, there has been no tie up between the insurance requirement and the certificate of safety even though the insurance requirement and the certificate of safety provision are administered by the division of public works and buildings.

It has been suggested to the state authorities that part of their difficulty in connection with the administration of the law could be removed if provision was made to tie in the insurance requirement either with the issuance of the certificate of safety or with the issuance of registration. The most practical is to tie it in with the issuance of the certificate of safety in some way because both the certificate of safety and the insurance requirement are under the administration of the division of public works and buildings.

The division of public works and buildings might make arrangements whereby in the future they will receive a copy of every certificate of safety issued by testing stations which they have not been receiving in the past, and which they will be able to check in their office with certificates of insurance as filed by the insurance companies. In that way they will be able to proceed under the law with respect to any truck that obtains a certificate of safety but is not insured under a policy of insurance. This becomes tied in with the license requirement since the truck owner can't get a license unless he has the certificate of safety.

It would be hopeless for the insurance companies to attempt materially to improve their procedure in filing certificates of insurance under the act if the two departments involved did not take the necessary steps to make certain that every truck licensed in Illinois was, in fact, insured.

value for that business of \$200,000 must stand but the master has already included as an asset 45% of the pro rata premium reserve for cancellable policies amounting to \$46,163. Under the reinsurance agreement that sum was for a time left in the receiver's hands. The addition to the assets side of the master's statement of the value of the cancellable business will therefore increase the total assets by the difference between \$200,000 and \$46,163 or \$153,836.

McCormack-Hobbs Issue Continues

Tennessee Commissioner Wants Thorough Study of Rate Situation

Commissioner McCormack of Tennessee has added another chapter to his correspondence with C. W. Hobbs of the National Council on Compensation Insurance on specific rating questions in Tennessee and on a variety of issues of a general nature in the field. Mr. McCormack's original letter which included a rejection of the National Council's rate proposal for Tennessee, elicited from Mr. Hobbs a very lengthy response which was somewhat in the nature of a philippic. Mr. McCormack has made a lengthy reply in which he declares that the time for public controversy is at an end and that the National Council "should make a study of the Tennessee situation and submit a fair and equitable proposal that would eliminate the injustices of the past." He expressed the hope that such a proposal will be submitted early in November and he stated that he will withhold taking further action until such a proposal is received.

Mr. Hobbs among other things contended that if Mr. McCormack's decision as to Tennessee rates should stand it would mean that the companies would face a rate deficiency of about 18% and he said he would not be surprised that the stock companies at least would decline to do business on that basis.

Doesn't Fear Withdrawal

"The Tennessee department," Mr. McCormack declared, "does not fear any combine between the companies to threaten a strike against the state because it might insist on a fair and equitable rating procedure. It has too much confidence in the system of free enterprise and in the high caliber of executives . . . to think we might be penalized for stepping out of line and asking our day of hearing on a matter vitally affecting the welfare of the citizens of this state. The experience in Tennessee is admittedly profitable and there is no evidence that it will not remain profitable in the future."

Mr. McCormack, who is chairman of the executive committee of the National Association of Insurance Commissioners, in his first letter proposed that a committee of the commissioners, perhaps twice a year, visit the offices of the National Council and hold meetings with the organization. Mr. Hobbs said that he favors such an arrangement. Mr. McCormack stated that at the meeting of the commissioners' executive committee in Chicago just recently, President Harrington announced that he would request the compensation committee of the commissioners to meet periodically with the National Council. Such meetings should be at times other than during the conventions of the commissioners and the reports of the council and Mr. Hobbs should be in the hands of the committee at least 30 days prior to the time of such meeting.

Other Points Considered

The balance of Mr. McCormack's letter consists of further debate on such matters as expense loading, profit loading, contingency loading, loss and expense constants, balancing factor, interstate rating, writing collateral lines at less than manual, the new rating plans, etc.

Connell Utilities Ind. Manager

L. W. Connell, who, for the past 17 years has been associated in Indiana with U. S. F. & G. and later with Maryland Casualty, has joined Utilities of St. Louis as Indiana state manager. Mr. Connell's headquarters are in Nashville, Ind., from which he will cover the entire state.

CHANGES IN CASUALTY FIELD

Weiser Assistant Manager, Chicago

Donald K. Weiser, superintendent of agents of Aetna Casualty in the Chicago office, has been appointed assistant manager. Mr. Weiser will continue to superintend the agency activities of the office and in addition will assist George Tramel, manager.

Mr. Weiser has been in the insurance field since 1924 when he went with the Workmen's Compensation Board of Pennsylvania as an adjuster. In 1928 he joined Aetna Casualty as adjuster in the Harrisburg, Pa., office, later transferring to the Boston claim department where he was located until 1930. He attended the home office school for six months, and then returned to Harrisburg as special agent for four years. He was special agent at Bridgeport, Conn., for three years, and in 1937 went to Chicago as special agent. He became agency supervisor there in 1938 and superintendent of agents in 1942.



D. K. Weiser

Baxter Brown to East for F. & D.

Baxter C. Brown, since 1935 resident vice-president in charge of the Kansas City branch of Fidelity & Deposit and American Bonding, has been appointed to supervise the activities of the companies' field organization in upstate New York and Connecticut. He will make his headquarters in Albany and will assist in the production and handling of business through the companies' present offices in Buffalo, Syracuse, Albany and Hartford.

Leonard D. Jenson, manager at Kansas City for the past year, has been placed in full charge of that office.

Earle Evans to Los Angeles

Earle Evans, special agent in Seattle of United Pacific, has been transferred to Los Angeles, where he will continue field work and also will service workmen's compensation lines.

New Eureka Casualty Office

Eureka Casualty has opened a service office in Columbus, O., with jurisdiction over production in that state. Richard C. Deeg has been appointed manager. Mr. Deeg for the past three years has been manager of the Toledo office of the Celina Mutual Casualty and associated companies and prior to that was with American Automobile and Globe Indemnity.

Tressler Independent Adjuster

Harry Tressler has resigned as assistant manager of Toplis & Harding in Seattle and has moved to Spokane, where he has opened his own office as an independent adjuster. He started in the business with Northwest Casualty in Portland and from 1928 to 1938 was an adjuster and claims attorney of U. S. F. & G.

had not filed its certificate of coverage until a few days after the accident occurred.

Justice Butzel in his opinion stated that there is no reason why an insurance company should not give notice of termination 10 days before expiration, whether or not it expects renewal, and file a new acceptance of liability in case insurance is renewed.

California Comp. Studies to Be Completed: Garrison

LOS ANGELES—At a press conference here, Commissioner Garrison of California said that the workmen's compensation investigations and hearings that have been in progress during the term of his predecessor, A. Caminetti, Jr., would be carried forward to completion; that the field has been thoroughly covered; that cessation of repetitious proceedings would greatly shorten the period of time necessary to complete the investigations. He said that the matter was one of study, looking toward a new manual with rate revisions and the formation of a group of representatives from the insurance department, the California state rating bureau and the compensation writing companies, the creation of which will be for the purpose of improved relations in this branch of the business. In connection with his plans to make the insurance department outstanding, Mr. Garrison said he will create within the department a bureau of compensation insurance. This will be done because the present investigations have shown the necessity for such a bureau.

New W. Va. Actuary Named

CHARLESTON, W. VA.—Omer P. Frame has been appointed actuary of the West Virginia workmen's compensation division, succeeding Clyde L. Ferguson, who resigned several months ago.

Mr. Frame formerly was in the bank-

ing business and for the past 10 years with various government agencies, including the WPA, National Youth Administration and OPA.

Wrabetz Renamed President

Voyta Wrabetz, chairman of the Wisconsin State Industrial Commission, was reelected president of the International Association of Governmental Labor Officials at the annual convention in Chicago. The association went on record as opposing federal control of workmen's compensation and other labor laws. Mr. Wrabetz was recently reappointed to another six-year term on the Wisconsin commission.

ACCIDENT

W. M. Hammond Talks on Self-Development, Control

LOS ANGELES—The Los Angeles Accident & Health Producers Association heard Wilmer M. Hammond, general agent of Aetna Life, discuss the self-development of the individual in order that he may not join the ranks of the frustrated. He said the individual who would develop must control himself, must brook no interference in his progress and must have some one to motivate him. Some of the things that lead to lack of proper control are irresolution, sloth, no purpose, and ego. If left unconquered they will be responsible for any one feeling frustrated.

He said the individual must have a purpose big enough to challenge these things, and that his desk as well as his mind must be organized. "Be hard boiled and do something to develop further," he advised.

Walter E. Mast of California Agencies, R. A. Brown, Pacific Mutual Life, and Phineas Prouty, Jr., Connecticut Mutual Life, were chosen as the nomi-

Soeder Named Manager of F. & D. at Buffalo

Andrew C. Soeder, for 10 years assistant manager at Buffalo, N. Y., for Fidelity & Deposit, has been promoted to manager. He succeeds Kenneth R. Popham, who recently resigned to become associated with C. E. Knowles Co. of Gowanda, N. Y.

Before going to Buffalo, Mr. Soeder was special agent of F. & D. in Detroit for three years and had previously served for several years as traveling auditor for the company. He has been connected with the F. & D. since 1923.

Walters Is Advanced to Manager in Memphis

American Surety and New York Casualty have appointed Roy P. Walters, assistant manager of the joint branch office at Memphis, as manager there, succeeding Herbert F. Sharman, deceased.

Mr. Walters was born in Jackson, Tenn., and attended State Teachers College there. He entered the employ of American Surety in Memphis as cashier in 1919, and was made assistant manager in 1926.

COMPENSATION

Mich. Holds Carrier Liable Because No Termination

LANSING, MICH.—The Michigan supreme court held General Accident liable under a compensation policy for an accident occurring two days after expiration, because the company had given notice of termination on the day of expiration and the law requires that compensation insurance must remain in force until 10 days after notice of termination is given the labor and industry department. The employer, A. J. Marshall Company, had renewed insurance in Lumbermen's Mutual Casualty, which

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nating committee to report at the next meeting.

President Kelly Kelso announced that the November meeting will be an open forum, in charge of Harry Burford, California Agencies; Frank L. Bryson, Norman Harper and George Alvord.

Baltimore Association Meets

The Baltimore Association of Accident & Health Underwriters at its October meeting heard reports from several members who had attended the life underwriters convention in Pittsburgh.

Julian Pennington, consulting analytical psychologist, spoke on the different types of individuals.

The resignation of John C. Jenness as secretary was accepted, as he is being transferred by Monarch Life to its western training school at Glen Ellyn, Ill.

Walker Salt Lake Speaker

SALT LAKE CITY—At the October meeting of the Utah Accident & Health Club, Lieut. Com. F. Edward Walker, a former president, who for the past year has been on naval duty in New Caledonia, spoke on "Life in the South Sea Islands." He was introduced by A. H. Good, Mutual Benefit Health & Accident, program committee chairman.

E. H. O'Connor of Chicago, executive director of the Insurance Economics Society, will talk Nov. 8 on "What Price Social Security."

Powell Speaks in Portland

President John M. Powell of Loyal Protective Life was guest speaker at the October meeting of the Portland (Ore.) Accident & Health Managers Club. Members of the Life Managers Association of Portland were special guests. J. E. Barry, Occidental Life, is president of the club.

Hear C. of C. Man in Omaha

OMAHA—Frank Fogarty, general manager of the Omaha chamber of commerce, addressed the Omaha Accident & Health Association on "Post-War Plans for Omaha." He said this included a great expansion of airport facilities, development of agriculture through new uses to which farm products may now be put in industry through chemical discoveries, and development of river navigation and flood control.

Seattle Luncheon for O'Connor

Plans have been completed by the Seattle Accident & Health Managers Club for a joint luncheon meeting with the Seattle chamber of commerce Nov. 19 to hear E. H. O'Connor, executive director of the Insurance Economics Society.

J. H. Jones Tulsa Manager

C. W. Cameron, Oklahoma state manager of North American Accident company, announced the appointment of Joe H. Jones as manager of the newly opened office in Tulsa. Mr. Jones has had 10 years experience in health and accident insurance and has been in Tulsa five years, recently as general agent of Massachusetts Protective.

The Cameron agency was North American's leader in new business for September, with Mr. Cameron personally leading in personal production.

Charter Clothing Workers Insurer

Amalgamated Life & Health, which is being set up under the auspices of the Amalgamated Clothing Workers of America, has now been chartered in New York. The intention is to get the company licensed at first in 17 states where organized clothing workers are located. Under the terms of the agreement between the Amalgamated Clothing Workers and the Clothing Manufacturers Association employers are contributing 2% of their weekly payrolls into Amalgamated Insurance Fund which operates Amalgamated Life &

Health. According to Sidney Hillman, president of Amalgamated Clothing Workers the fund now has \$3,500,000 and clothing employers will contribute about \$250,000 a month.

Spokane Opens Season

SPOKANE, WASH.—The first fall meeting of the Spokane Association of Accident & Health Underwriters was a luncheon Oct. 15.

R. J. Martin, Hartford Accident, chairman of the legislative committee, was the speaker. The Wagner-Murray bill was the topic of discussion. The association's unified opposition to the bill was officially recorded at this meeting.

More Women Hospitalized

NEWARK—The Hospital Service Plan of New Jersey reports that women represented 58% of all hospital cases the past year, an increase of 2% over the previous year.

However, it is pointed out that the increase in the number of women hospitalized is, in part, comparative. Women make up a larger percentage of hospital cases than in previous years because so many men are now in service. Occupational hazards accompanying the increasing number of women employed in

war industries also contribute to the increase.

Slate O'Connor in Los Angeles

LOS ANGELES—E. H. O'Connor, managing director of the Insurance Economics Society, will address a joint meeting of insurance men Nov. 12, sponsored by the Accident & Health Managers Club of Los Angeles on "Free Enterprise and the Insurance Industry."

Durfee Heads Prudence Life

Carlisle Durfee of the Chicago law firm of Lord, Bissell & Kadyk, has been elected president of Prudence Life of that city, replacing W. H. Wettaw. B. L. Hollwick, an attorney, is secretary. Alfred Holzman continues as chairman.

tional Surety, and secretary-treasurer, Fred H. Doenges, Fidelity & Deposit. On the executive committee are Henry A. Bush, United States Fidelity & Guaranty; Howard Blair, Aetna Casualty; John L. Patterson, Massachusetts Bonding; Karl Nordyke, Travelers, and Harold Gee, Metropolitan and Commercial Casualty.

Evans to Speak at K. C. on Bonds

At the meeting of the Kansas City Casualty & Surety Association Oct. 29, W. R. Evans, manager of the Kansas City office of American Surety, will discuss "Judicial Bonds."

K. L. Child Boston President

BOSTON—The Association of Casualty Underwriters of Boston has elected these officers: President, Kilburn L. Child, Car & General; vice-president, C. P. Thornton, London & Lancashire Indemnity; treasurer, Paul R. Sexton, Massachusetts Bonding; secretary, John Fitzpatrick, Sun Indemnity.

Hear Deputy District Attorney

LOS ANGELES—John Barnes, deputy district attorney of Los Angeles county, gave the Casualty Insurance Adjusters Association some highlights on

ASSOCIATIONS

C. W. McNeill New Head of St. Louis Association

ST. LOUIS—C. W. McNeill, St. Louis manager of American Surety, was elected president of the Casualty & Surety Underwriters Association of St. Louis at the annual meeting.

Vice-president is E. A. Luther, Na-

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the case of Laurel H. Crawford, convicted of slaying his family in an automobile accident, which was he declared one of the really ingenious efforts to defraud an insurance company. He said the files of insurance companies easily may furnish information that shows the motive for a crime.

The association will hold a joint meeting with Insurance Post 513, American Legion, Nov. 4, with Commissioner Garrison as the speaker.

Start Atlanta Claims School

ATLANTA—A large enrollment has been secured for the claims school sponsored by the Atlanta Claims Association, which opened Sept. 27 and will meet each Monday through Nov. 29.

Leroy Wynn of the Georgia Power Co., discussed "Ethics and Public Relations" at the first session and at the second E. E. Joachim, Travelers, discussed investigation of claims.

Topics for future meetings are settlement of claims, Stuart M. Haw, Aetna Casualty; automobile claims emphasizing comprehensive coverage, W. A. Dodderer, Lumbermen's Mutual; burglary claims, C. L. Daughtry, Hartford Accident; compensation claims, Ed Kelly, Globe Indemnity; medical aspect of claims, Rufus Askew; fidelity and surety claims, E. R. Milbourne, U. S. F. & G.; disability claims, Paul Johns, New York Life; fraudulent claims, Felix O. Cox, Association of Casualty & Surety Executives.

Casualty Actuaries Meet Nov. 17

NEW YORK—The Casualty Actuarial Society will hold its annual meeting at 10 a.m., Nov. 17 at the Hotel Biltmore, New York City. There will be a dinner the previous evening.

Are you too busy to make calls? Let the Insurance Buyers' Digest do it for you. Write National Underwriter for samples.

FIDELITY AND SURETY

Variety of Contract Bond Rates Confusing

One of the post-war problems of the surety business will be to arrive at a uniform rate for contract bonds. Due to the war situation, with the War Department and other federal agencies exacting special terms from the surety business, there has developed a multiplicity of contract bond rates. The situation is confusing and unsatisfactory from a long range standpoint. Contractors are baffled when they are told that the rate is one figure for a particular type of job where one branch of the government is interested and an entirely different rate where another branch is interested.

The rate for a performance bond where there is no federal money used or federal control exercised is \$15. For railroads and public utilities the rate is \$10; for FHA construction it is \$8; DPC \$7.50 and war or navy department \$6.65.

Mutuals Can Now Write Bonds in New Hampshire

CONCORD, N. H.—Mutual casualty companies may now write fidelity and surety in New Hampshire according to a ruling by Commissioner Knowlton based on an opinion of the assistant attorney-general. Although in the past the insurance department has prohibited mutuals from writing these lines, present statutes no longer bar mutuals, it is held. Department approval must be secured before these lines can be written.

Slate Alex Clark for Chicago Post

Alex P. Clark, Jr., assistant manager of Fidelity & Deposit in the Conkling, Price & Webb agency, is the choice of the nominating committee for president of the Surety Association of Chicago to succeed Joseph I. Johnson, surety manager of Aetna Casualty. The committee reported at a dinner meeting following a golf outing at the Bob O' Link Golf Club. The annual meeting will be held the first week in November.

Ward Hilton, Hartford Accident, is nominated for vice-president; Ed O'Donnell of Bartholomay & Clarkson, for secretary, and McClung Smith, Travelers Indemnity, for treasurer.

The nominating committee consisted of Edmond Madden, Maryland Casualty; Jay Reynolds, New Amsterdam Casualty, and W. H. Wallace, Hartford Accident.

Claim Policy Is Big Factor in Competition

NEW YORK—The greatest factor in holding bond business on the books is the policy of the claim department, the manager of a prominent bonding company said recently. The claim policy of his company has been effective in holding clients against all competition for periods up to 30 years. Some years ago, he said, claim departments were definitely used by some companies to cover up their underwriting mistakes. The bonding business as a whole adopted a distinctly technical and litigious policy on claims. Claim policy has a distinct effect on the attitude of the

public toward the business and also on the attitude of public officials.

A vast amount of public and private building activity will take place after the war and bonds will be demanded on a large scale. The principle of furnishing bonds is recognized by the government and they are required both by the army and navy, he pointed out. If the rates on private work are brought into line with those prevailing on government contracts, he believes that this will be a considerable stimulant to the bond business. If the business shows adaptability to the changing needs of the public, there is likely to be a great development of premiums in the surety field which have been as yet untapped.

With the low fidelity rates, more business ought to be sold than there is. The trend in contract premiums is on the downward side and is likely to continue in that direction until the war is over, when a quick recovery may be expected.

Surety Recovers from Bank in Official Bond Loss

LANSING, MICH.—In a divided opinion, the Michigan supreme court upheld Seaboard Surety in a judgment against a bank based on a subrogation action on a public official bond. Seaboard Surety had paid Washtenaw county under the bond of E. M. Gibb, former county clerk, who had been convicted of embezzlement.

The \$1,595 judgment was against the State Savings Bank of Ann Arbor, in which Gibb had deposited county money in his personal account and drawn checks to the county treasurer from time to time for sums presumably due the county. The bank claimed it had no way of knowing what Gibb was doing, but the majority opinion of Justice Wiest held that the statutes specifically prohibited the clerk from handling public



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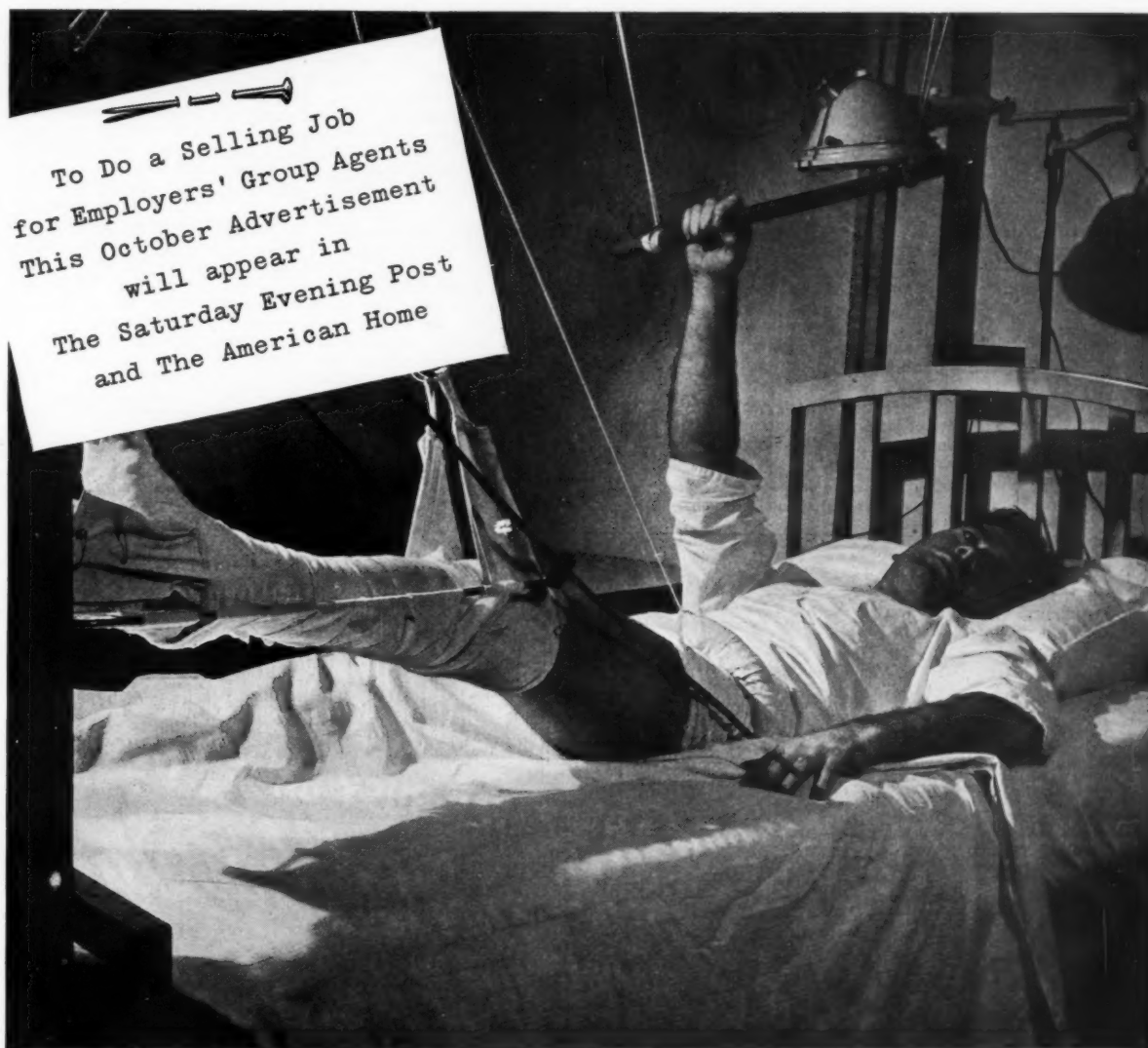
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kinds of Employers' Group Accident Policies, particularly the new, low-cost *Family Policy* which covers hospital and surgical expenses for accidents to any member of your family.

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funds in this manner and the bank could not have helped but discover county was being used. Justice North dissented on the ground that the county had designated no depository for its funds and hence that some makeshift arrangement was justified.

Shortage of Lumber Is Causing Contract Delays

Due to the shortage of lumber these days, a number of contractors that took on such jobs as the construction of schools, war housing, recreation centers at camps, etc., largely involving wood construction, are being delayed in the completion of the work. The lumber shortage is attributable to the lack of manpower and it is found that very often steel is available and wood is not. The surety companies are watching these situations, the question being as to the financial ability of the contractor to stand up under such delays. Much of this business was let in the spring and at a cheap price.

Scan Public Official Bonds

A number of the surety companies are analyzing the public official business case by case to determine whether the public official has taken the necessary steps to rid himself of depository liability. The sureties do not anticipate banking trouble but they are going on the theory that in good times it is well to prepare for adversity and they still have the painful memories of when they were involved in the bank closings that followed the prosperous 1920's.

Big Coast Construction Bonds

LOS ANGELES — Hartford Accident, through its Los Angeles office, has just executed two bonds for Basich Bros. Construction Co., running to the War Department, for a total contract price of more than \$2,000,000. One is for road construction at the Navajo Ordnance Depot in Arizona at a cost of \$1,286,971, and the other for a runway at an A.A.F. flying school in Arizona at a price of \$779,933. Nine other surety companies are participating in the business.

Warning on Neb. School Bonds

LINCOLN, NEB.—Attorney-general Johnson has ruled that a county treasurer does not have authority to pay funds to a school district treasurer amounting to more than half the bond of the district treasurer. If he does pay more, the county treasurer and his surety will be liable for any default. The attorney-general's ruling states that many school district treasurers have failed to file bonds and others are insufficient in amount.

The Surety Association of Minnesota will meet in Minneapolis Nov. 2.

COMPANIES

Expand Company, Its Plant Enlarged

The Coal Operators Casualty of Pittsburgh was well represented at the convention of the National Association of Insurance Agents in its city, there being present W. J. Stiteler, Jr., president and general manager; Harvey N. Shroyer, vice-president and chief engineer; D. E. Miller, secretary-treasurer; James H. Andes, Roanoke, Va., southern representative. President Stiteler is a lieutenant-colonel in the army service and is stationed at Rome, N. Y., in the aviation department.

The home office was formerly at Greensburg, Pa., and then was moved to the Oliver building in Pittsburgh. It has some very wealthy connections. It specializes on workmen's compensation

insurance and gives special service in this line. However, it writes general liability lines and also has a special department devoted to beauty parlors, also physicians, surgeons, dentists and druggists liability.

Mr. Andes, who is one of the veteran insurance men of his section, looks after the field work in the District of Columbia, Virginia, West Virginia, Tennessee, Kentucky and Arkansas. The company has assets of about \$2,500,000, capital \$200,000, net surplus \$230,298. It is controlled by prominent citizens of Pennsylvania and the operating heads are all practical, experienced men. Its premiums last year were \$4,852,053.

Beneficial Casualty Expanding

Beneficial Casualty of Los Angeles has recently been licensed in Illinois, Indiana, Ohio, Michigan and Texas. J. C. Earle, vice-president, has been in the middle west handling details of entering additional states in which the company is planning expansion.

Miss Jeanne Snodgrass has been appointed casualty underwriter and office manager of the Portland, Ore., office of Maryland Casualty.

Excess Reinsurance has been admitted to Ohio.

PERSONALS

W. C. Swisher, head of the claim department of Continental Casualty at its head office, is on a five or six weeks sojourn in Arizona.

Sterling J. Stapp has been honorably discharged from the army. He was formerly assistant casualty manager in Seattle of Travelers.

Richard J. Dunn, who is soon to leave Boston to become director of public relations of Lumbermen's Mutual Casualty, was given a surprise testimonial by more than 100 attorneys and court dignitaries.

Frank Bush, vice-president of Standard Surety & Casualty and Century Indemnity and secretary of Aetna Fire, and Frank Becker, secretary of the two casualty companies, are on the Pacific Coast. They were met in Seattle by Merle D. Smith, associate manager on the coast, going on to California to complete a tour of the territory.

C. G. Hallowell, vice-president of Aetna Casualty, spent several days in Chicago this week.

J. R. Owens, manager of the fidelity and surety department of Employers Mutual Casualty of Des Moines, was married to Miss Marie Crouse of Boone,

who has been with the Federal Home Loan Bank.

A navy destroyer escort vessel, the first to be launched on inland waters, slid down the ways at Dravo's Neville Island waters near Pittsburgh. The "D.E.'s", so called, are named for naval heroes. This particular ship was christened the U. S. S. Jenks for Lieut. H. P. Jenks, who was killed in the battle of the Solomons Nov. 13, 1942. Mrs. M. L. Jenks, wife of Vice-president M. L. Jenks of American Surety and mother of the lieutenant, sponsored the vessel. Some 20,000 people including honor guests, Dravo employees and their families attended. The "Jenks" is larger than the first world war destroyers.

H. P. Jackson, president of Bankers Indemnity, is setting out this week with Ray E. Hiscox of the Soevig-Hiscox agency of Milwaukee on a hunting expedition north of Ludington, Mich. Mr. Jackson was in Chicago early this week making some business calls. His son, Charles, is completing the course at the yeomen's school, Great Lakes Naval Training Station. He went home just recently on a short leave and accompanied his father west to Chicago.

Ray B. Duboc, president of Western Fire and Western Casualty of Fort Scott, Kan., is on a West Coast trip and visited Los Angeles last week.



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FOR ALERT insurance agents, there'll be a gold mine in the sky, after Victory is won. Even now, hull and liability insurance premiums on aircraft run into the millions—and a ten-fold increase in flying is predicted for the period immediately after the war.

How to stake your claim in this rich market? U. S. F. & G. has shown the way with a series of "Pathfinders" as a part of its educational program. Through study of

this information, the Company's agents can quickly and easily become as familiar with aviation insurance as they are with automobile insurance.

Busy protecting America's war industries, U. S. F. & G. agents are preparing for the future. They're determined that when the post-war aviation boom starts, they will be ready. This new educational facility is available to all U. S. F. & G. agents and brokers upon request.

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BALTIMORE, MD.

Members: United States Aircraft Insurance Group

Governors Address Zone 2 Commissioners

(CONTINUED FROM PAGE 21)

officials of Pennsylvania companies went to Harrisburg for the event. Cabinet members of the state government of Pennsylvania attended.

Governor Broughton's Message

Next to food and clothing, Governor Broughton declared insurance touches the life and fortune of more people than any other business.

Certain perils, from within and without, he said, must be avoided if insurance is to maintain its integrity, independence and prosperity.

Growth and power tend to produce a sense of complacency and this is no time for "managerial backslapping or directorial gloating." It should be the occasion for study, research, careful planning and intelligent analysis of changing conditions, their causes and effects.

Serving the Policyholder

The chief duty of any insurance company is to serve its policyholders. Whatever can be soundly done to improve the service and lower the cost to the policyholder should be done.

The tendency to extend governmental social service into the field of insurance is a legislative response to a growing social consciousness. They are here to stay, and no political party will jeopardize its existence by proposing to abolish them, he said. The unprecedented growth of insurance during the very period of these innovations is sufficient to allay any apprehension on this score. But the very success of these governmental experiments creates a problem which private insurance business cannot ignore. Other proposals are in the air. Some of them emanate from unsound social thinking or spring from political expediency. But much of it arises from a broad public sentiment, based either on discontent with the cost or character of private insurance protection or upon an over-weening desire nourished by governmental benefits either received or anticipated. Insurance leadership should carefully appraise these growing social tendencies.

There must be a recognition and fair appraisal of the proper sphere of government in the field of insurance, even as there should be a fair governmental concept of the proper sphere of free enterprise in this field.

Anti-New Deal Epithets

It is not sufficient answer to engage in anti-New Deal epithets or invectives. It may well be true that some social experimenters in administrative positions would eagerly embrace any opportunity to extend governmental social service into the field of insurance to the extent of monopolizing or at least controlling this phase of American business, and that those of this group will be alert to exploit to the fullest any popular sentiment in this direction. Such efforts will be vigorously resisted. However, it is inaccurate and unintelligent to ascribe these manifestations wholly to political manipulations or social planners of either party.

Many of these tendencies are widespread and deeply rooted. They cannot be dispelled by mere debate or by political controversies, though undoubtedly every unwarranted encroachment upon the proper domain of states' rights or free enterprise should be vigorously resisted. "Before indulging in epithetical paroxysms calculated to disturb actuarial equilibrium it may be well for insurance leaders in America to ask themselves whether insurance in all its branches may not be able to stem this tide by demonstrating a broader conception of social advancement and a truer recognition of changing social conditions."

The people believe in free enterprise and states' rights, but they also have an innate longing for social security, family protection, guaranty against helplessness and dependency, and protection

of their self-reliant independence. If they can get these benefits at a reasonable cost under a broad program made available through the channels of free enterprise and privately owned insurance companies, they would undoubtedly prefer such course. If they cannot, then no amount of harking back to ancient principles or declamations about the American way of life will deter them in the mass from looking toward the government increasingly for this sort of aid and protection.

All who believe in the principles of democracy and individual liberty should combat any effort to destroy this heritage, but the resistance must be discerning and intelligent. It must take into account changing social conditions. It must recognize that while life in America should not be regimented, it likewise cannot be shackled by outmoded patterns or procedures. It is possible to define the proper sphere and limitations of governmental activity or service in the field of insurance and in doing so to preserve amply the historic and proper area for free enterprise in the field of insurance.

State Regulation

Governor Broughton declared that the principle of state rather than federal regulation of insurance has become well established as a part of the law and policy. With rare exceptions, the regulation of insurance by the states has been competent and well designed to protect the public interest. Under this system has been built up the greatest insurance business in the world and the citizens have enjoyed the benefits of high grade protection.

"There are at this point, however, new perils arising in the attempt to substitute federal for state regulation of this business. This is not a political question in a party sense. It is rather the attempt of certain individuals not familiar with or in sympathy with the history and traditions of our nation to extend unduly the area of federal activity."

Governor Broughton recalled that both parties at their 1940 conventions included planks in their platforms favoring regulation of insurance by the states. Since both parties are committed to the policy of state regulation, he said, it would seem that this is a question that can be settled outside of the strictly political arena.

Agency Operation and Management Discussed

(CONTINUED FROM PAGE 22)

Plan C being a modification of Plan B. Mr. Howe advised the guaranteed cost plan where the premium is \$2,000 or under.

Attitude of Large Premium Payers

There has been an objection to increasing the rates on the small risks, but the large premium payers, however, are claiming that they were paying the deficit and it was unfair to them. He acknowledged that the retrospective plans were more or less speculative and the assured was taking chances. He said that in case of contractors where the compensation is variable he favored the guaranteed cost plan.

In the negotiations, he said, it did not seem possible to get one retrospective rating plan and make it as simple as possible although the agents felt that that would be the most practical scheme. He cautioned agents against using compensation premiums in this war period as a criterion for the future. Just at present high wages are paid, there is double time compensation but after the war there will be a sharp reduction. Therefore the rate structure should be worked out over a longer period. He said that by and large in a long time program the companies have been very

close to the red line. He asserted that where there are unusual profits then the state itself should see to it that there is a rate readjustment.

WAR ACTIVITIES

C. W. Carpenter of Petaluma, Cal., discussed war activities of agents. He said that in his estimation 85% of the agents were engaged in some form of war activity in California and he gave it as his opinion that the same percentage would prevail nation-wide. He said that in such cases they are working not merely for glory or publicity but they have a patriotic motive. However, he said, the insurance group should be recognized as are others in any war effort. Every local board, he said, should have a strong publicity committee that would see to it that work of this character receives attention. Many are doing war work but are not listed as units of any occupation. He spoke about Commissioner Caminetti of California issuing a warning against people patronizing unlicensed companies. Local boards which were alert saw to it that their papers published this warning and made it plain it had the backing of the local boards. The name of the local board, he said, should be tied up with

every public work where the agents are involved. An agent from New Orleans told how the New Orleans Insurance Exchange is getting public recognition in many ways. It has a full time public relations counsel on its staff. Where special soliciting is done the insurance team is mentioned as belonging to the New Orleans Insurance Exchange. In this way, he said, insurance is getting more publicity than ever in New Orleans.

Rationing Discussed

L. L. Livingston, Franklin, Pa., discussed the subject of "Rationing," he being on his local gasoline rationing board. He said that people have discovered that they can get along fairly well without so much gasoline. They use street cars, buses and other means of transportation and they walk more. They budget their time. They do more planning as to their work. Often, he said, an agent would drive past good prospects in his automobile while if he were walking he would stop and do some soliciting.

Post War Problems

Mrs. Ada V. Doyle of Caldwell, N. J., president National Association of Insurance Women, was introduced and said that her organization had emphasized the necessity of insurance girls staying

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Bodily Injury (public and employee)
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A SINGLE LIMIT for

Bodily Injury and Property Damage Liability
Employers Liability (irrespective of number injured)

A SPECIFIC LIMIT for

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WHEN GOOD FELLOWS GET TOGETHER

This means harmony! Yes, a pleasant association can mean a lot in business, too. Emmco's field force and home office folks are always ready and willing to cooperate with its agents . . . Emmco is an agency company, and with Emmco's "Shoulder-to-Shoulder" Plan you are assured friendly cooperation. This plan provides: 1. Complete assistance on your underwriting prob-

lems; 2. Modern promotion to help you in writing new business; 3. Prompt, courteous adjustment service; 4. Maximum protection for your policyholders; 5. Streamlined office methods to simplify detail . . . Why not look into this matter at once? It costs nothing to learn all about Emmco's Agency-Company proposition. Write today!



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on the job, attending to business and not being lured away.

E. H. O'Connor of Chicago, executive secretary of the Insurance Economics Society, was assigned the topic of post war problems. He said that he dismissed immediately about 95% of the planning that is appearing in the papers and being spoken on the platform as being impractical. He said undoubtedly there will be some changes. They are necessary. However, he predicted that they will not be drastic. In discussing the immediate insurance problems he said that men in that business are struggling to maintain free enterprise. Local agents, he said, should tell their story everywhere. They must watch the government and throw up bulwarks against it entering the insurance business. He said that insurance people should oppose the Wagner-Dingell bill because it is an opener for the government getting into all kinds of insurance. If it passes it will allow the government under the social security act to furnish health, accident and hospitalization insurance. Then workmen's compensation will follow, he predicted, and next automobile insurance. Socialization of medicine and hospitals will be an accompaniment. Insurance men, he said, now have their hands full to take care of production.

A. W. Jenkins of Richmond, Ind., urged that insurance on public property be taken out of politics entirely. In his town, he said, all insurance on public property is assumed by the local board which takes care of the coverage and all its details. It has worked out eminently satisfactorily, he said, and to the great satisfaction of the public and authorities.

GROUP NO. 3

(Agencies writing \$300,000 or more in premiums.)

The Group 3 session for large agencies, as always was extremely interesting and the crowd of over 60 was probably the largest attendance ever recorded. H. F. "Speed" Warner, prominent Kansas City agent, presided.

The session ran overtime, with animated discussions and thorough analyses of the new retrospective rating plans for workmen's compensation insurance and the boiler and machinery situation. There was no time even to suggest a discussion on surety developments, which was also listed on the program. The meeting featured thorough and scholarly presentations of the two subjects by H. R. Price, Jr., of the W. H. Markham & Co. office of St. Louis, and B. L. Boone, II., engineer of the Poor, Bowen, Bartlett & Kennedy agency of Baltimore.

Effect on Mutual Competition

After reviewing the guaranteed cost plan and the details of the three retrospective rating plans, Mr. Price said that the great chance to make a saving is in safety engineering and that the major question of insurance producers is what the direct writing mutuals will do. Under the present plans, the mutual advance premium is loaded for dividends, so the assured pays more in advance than he would to a stock carrier. Otherwise, the mutuals probably could not pay any dividends. Mr. Price said that it will take probably two years to develop a clear idea on the effect of these plans, particularly in a competitive way. They give the agents a sharp sword against the mutuals. The non-stock carriers have worked mainly on the larger risks and if agents can keep their bigger clients away from the mutuals through these plans, it will undoubtedly impair the dividend-paying ability of the non-agency carriers. Mr. Price said that he personally is for the plans, despite various objections which have been raised.

It is to be hoped, Mr. Price continued, that experience will justify a further percentage reduction in cost and also that the companies and the agents will contribute equally. At present, the agent

contributes more than the company and Mr. Price listed this as one of the main objections. He also objected to the fact that the guaranteed cost plan is mandatory unless plan A, B or C is selected. He said it would be more satisfactory to all parties if Plan A were made mandatory unless another plan were designated. He also said he wondered whether there may be a hidden profit for the companies in the various factors.

There was a question from the floor as to whether the new plans affect equity rated business now in force. Mr. Price said that there is no effect on existing business, but the new plans will go into operation on renewal of each line.

Claim Expense Factor

The question was also raised as to how much the company is allowed for claim expense and safety engineering. Mr. Price said that the allowance is supposed to be 8% for claims and 2½% for engineering, but the question was raised as to whether there is not a duplication since, in determining the final retrospective premium, losses actually paid are multiplied by the conversion factor, which is 1.13 in most states. It was asked whether this is not an additional 13% allowance for claim expense.

John H. Egloff, Hartford, supervisor of agency field service at the home office of Travelers, explained that there is no duplication in claim expense allowances. None is involved in the basic premium, he said, this being intended to cover only the expenses, other than claim work, incidental to writing insurance, as well as to provide the company with a margin to take care of losses which exceed the maximum premium. The allowance of 13% on paid losses in the loss conversion factor is mathematically the same as the standard allowance of 8% on premiums paid, since the standard plans assume a loss ratio of 62½%.

Basic Premium Inclusions

The basic premium, Mr. Egloff continued, also includes a contingency charge of 1%, which is profit if the company can capture it. However, this contingency charge must also take care of reopened cases and all casualty authorities agree that these cases may be dynamite when the war is over. He added that the big problem is which plan to choose and he suggested letting the assured decide, with the agent putting 90% of his sales talk into safety engineering. Most loss ratios, he said, are still too high and, particularly on larger risks, many of them could be cut in half by proper engineering.

The question was also raised as to the best way to handle a case which is not absolutely certain to earn \$1,000. Mr. Price suggested if there is any doubt, the risk should be put in, preferably in Plan A, since if it does not earn \$1,000 it will automatically go on a guaranteed cost basis.

Boiler Discussion Outstanding

Mr. Boone made an outstanding hit with his brilliant and complete analysis of the present boiler insurance situation. He outlined the current confused competitive picture, with three groups, two stock and one mutual, fighting, but said that in his opinion the coverage offered by the three groups is approximately the same, the variations being mostly on rather small details. On the average, the net cost has been reduced from 20 to 40%, although a few seasonal plants will show a slightly higher premium under the new setup. He also said he does not think the present rate structure can possibly hold, that the reductions based on experience last March, before the big rate war began, were probably equitable and that sooner or later the competing groups will get together and go back to approximately the March, 1943, level.

Most agents, Mr. Boone said, have been able to cancel existing policies and rewrite for a term under the new rates, advancing the expiration date to absorb return premiums. He strongly advocated getting the limits raised, saying



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MANUFACTURER'S and CONTRACTOR'S
LIABILITY • OWNER'S, LANDLORD'S and
TENANT'S LIABILITY • COMPREHENSIVE
LIABILITY • PERSONAL COMPREHENSIVE
LIABILITY • OTHER LINES

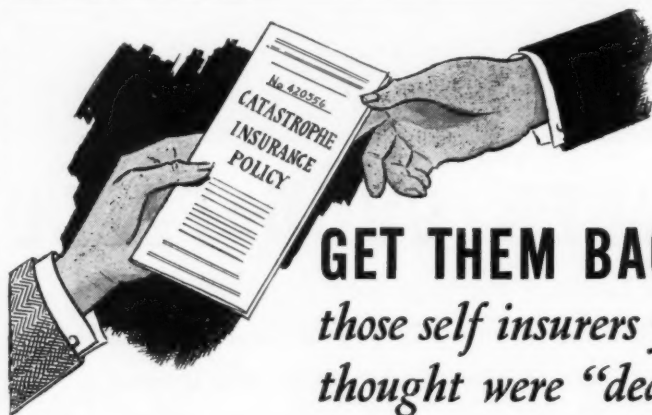


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"Excess" coverage policies make them "hot prospects" again

Go back to those self insurers you marked off your list. You've something everyone of them will listen to with interest when you talk "Excess" coverage.

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that most assured are inadequately protected in view of present loss exposures and illustrating by several examples how the limits can be increased under the new rates for the same premium as under the old schedules.

Extended Coverage and Cracking

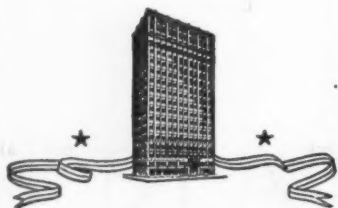
Where the assured has steel boilers of any type, Mr. Boone strongly recommended an attempt to sell extended coverage, which covers burning out of boilers from lack of water. Until now, this coverage has not been available at all and this loss is still not covered under the basic boiler explosion contract. With the present type of factory employees, there undoubtedly will be burned out boilers, since it takes an experienced operator to handle a boiler intelligently, and selling extended coverage is the only way to avoid serious dissatisfaction.

Mr. Boone said that he does not recommend cracking coverage on cast iron boilers for large risks. This is practically a maintenance matter for a big manufacturing house and the premiums for cracking coverage are loaded with this thought in mind. He urged an attempt to sell higher limits instead. Deductible forms also appeal to large clients.

Sales Slants

After an agent puts his own house in order by bringing all his boiler risks up to date, Mr. Boone urged aggressive selling. Boiler insurance is seldom bought and machinery insurance practically never. In 1942, only \$19,000,000 boiler and machinery premiums were on the books, and most of this was put on by company representatives. While agents should not hesitate to use the services of company specialists on large risks, they should be able to discuss boiler insurance intelligently and to handle at least the routine cases themselves, particularly since the power plant manual has been revised and made easy to read and follow. He said that

"No Standard Higher Than
Commercial Standard"



LESS DRIVING POWER...

Has not lessened the need for complete automobile coverage. Not if you have the "driving power" to go after the business and the policy that can "deliver the goods." Commercial Standard policies "deliver the goods." This is one of many reasons why agents place their automobile business with this dependable, multiple line company of 19 years successful operation.



**Commercial Standard
Insurance Company**
TRINITY BUILDING FORT WORTH, TEXAS



SNAPPED AT N.A.I.A. GATHERING IN PITTSBURGH:

Abe Blumenthal, Benswanger, Hast & Herzog, Pittsburgh, Miss Alice Henry, manager J. W. Henry agency, Pittsburgh, and Spencer Welton, vice-president Massachusetts Bonding, Chicago; H. E. McClain, executive secretary, and Fred Richardt, Evansville, president Indiana Association of Insurance Agents.

power plant insurance requires an intimate knowledge of the assured's business. An agent does not have to be an engineer to sell boiler insurance, any more than he needs to be a physician to sell life insurance, but he should at least examine his clients' plants and know what they have and what their potential losses are.

There was an interesting discussion on overlapping coverage between explosion contracts issued by fire companies and power plant policies of casualty companies. All agreed that it is an extremely ticklish subject, because the exclusions in the fire insurance contracts are not clear and they vary with the forms for different types of risks. Mr. Boone thought, and all agreed with him, that it is not wise to take the responsibility of making flat statements that fire companies will pay any particular border line loss.

It was also brought out in the discussion that in many cases power plant use and occupancy premiums are much higher than fire use and occupancy premiums for the same assured. Mr. Boone suggested using deductible coverage, with use and occupancy recovery to start a specified number of days after the accident, as highly acceptable to many large businesses and a good means of reducing the premium.

In addition to many prominent agents, there were a number of company executives and other well known insurance figures at this session, including Dr. H. J. Loman, University of Pennsylvania, dean of the American College of Property & Casualty Underwriters.

DEATHS

Thomas M. Storm, 53, manager of the casualty department of Whitefield, King & Co., Memphis, formerly with U. S. F. & G., died following a heart attack.

Dr. Charles Harbaugh, old-time medical director, who was regarded as an authority on claim adjustments in both the life and accident and health fields, died at his home in Fremont, Va., after a brief illness. He was author of "Adjusters Manual," "Industrial Claim Adjuster" and other works which are still used by adjusters. From 1902 to 1915 he was medical director of the old American Assurance of Philadelphia, which was taken over in 1917 by Philadelphia Life. He was a former president of the Association of Medical Directors.

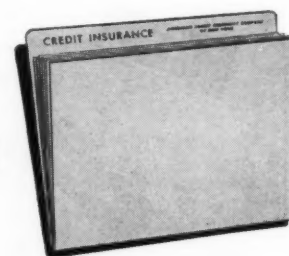
Wyatt Trial Set for Nov. 4

Arthur H. Wyatt, 65, former Indianapolis insurance stock salesman and promoter, pleaded not guilty when arraigned in federal court there on charges of violation of the mail fraud act, violation of the securities and exchange act and conspiracy. The trial was set for Nov. 4. It is charged that

Wyatt received a contract from Commercial Indemnity to sell its stock and also was named its general agent. He is alleged to have assigned this contract to the Commercial Underwriters, and for the assignment was to receive 2,000

shares of stock. This stock he is said to have sold, through salesmen, and pocketed the money instead of turning it over to the company. Commercial Indemnity is not involved in any way in the indictments.

NEW CREDIT INSURANCE FILE BOOKLET



To provide brokers with complete sales information about Credit Insurance, American offers this new "file booklet", a comprehensive explanation of fundamentals and the reasons why many of your customers should buy this coverage.

Standard file size, the new "file booklet" can be kept readily available either for soliciting material or for answering questions of manufacturing and wholesaling clients.

Write today for your copy of the Credit Insurance "file booklet"... recommend the coverage to those commercial customers who ship merchandise on credit.

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A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Illinois Agents' Program Complete

The complete program for the annual meeting of the Illinois Association of Insurance Agents to be held Nov. 4-5 in the Abraham Lincoln hotel, Springfield, was announced this week by the executive offices in Chicago.

An interesting feature in the final session the second afternoon will be the awarding of the membership cup donated by W. H. Jennings, Jr., of Rockford, past president.

Noted Chemist to Speak

One of the principal speakers will be Dr. William J. Hale, for 15 years director of organic chemical research of the Dow Chemical Co., originator of numerous important chemical processes, author of many books on chemistry and now research consultant for the Dow company. Dr. Hale will speak at the dinner meeting the first evening on "The Shape of Industry to Come." From 1915 to 1919 he was associate professor of chemistry in the University of Michigan. He is a member of various American and foreign chemical societies and holds the Ph.D., Harvard, 1902.

McCullough Winters, president, Quincy, will preside. The program is:

Thursday, Nov. 4, Morning

Vice-presidents and local boards meeting, Merle A. Read, Joliet, executive vice-president, presiding.

Luncheon open meeting, compensation plans explained, W. Herbert Stewart, Stewart, Keator, Kessberger & Lederer, Chicago; Walter J. Jeffery, resident secretary U. S. F. & G., Chicago.

Afternoon-Regular Session

McCullough Winters, presiding.
Salute to colors, Boy Scout troops.
"Before the Alarm," movie of National Board.

Welcome, Newton C. McVay, president Springfield Association of Insurance Agents. Response, Lyle H. Gift, Peoria, board chairman Illinois association.
"What Price Social Security," E. H. O'Connor, executive director Insurance Economics Society, Chicago.

"Public Relations," Averell Broughton, public relations adviser National Association of Insurance Agents, New York City.

Report of the national state director, Alvin S. Keys, Springfield.

Dinner meeting.
Address, "The Shape of Industry to Come," Dr. William J. Hale.

Friday, Nov. 5

Breakfast meeting, Allan I. Wolff, Associated Agencies, Chicago, presiding.

Final session.
Special feature.
Membership cup award.
Report of resolutions committee.
Report of nominating committee.
Election of officers and directors.
New business.
Adjournment.

Fort Wayne Board Starts Fire Course

FORT WAYNE—James C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, will lead the discussions at the two opening sessions of the fire insurance and allied lines course of the Fort Wayne Association of Insurance Agents Thursday of this week. He will conduct the first session at 4 p.m. and the second at 7 p.m.

Classes will be held in the Chamber of Commerce building. Beginning next week, one evening session will be held

each week until the 20 hour course is completed. The Fort Wayne board gave two courses of the National Association of Insurance Agents last year, with excellent turnouts, and advance registrations for the fire course are heavy. K. C. Beard, chairman of the educational committee, and Miss Irma Hartman, board secretary, are in charge of the course.

Milwaukee Board Elects T. Z. Clayton as President

MILWAUKEE—T. Z. Clayton, vice-president of Geo. H. Russell & Co., was



T. Z. Clayton

Laub, George Goetz and Val. Gottschalk.

Milwaukee delegates reported on the N. A. I. A. meeting in Pittsburgh. The national public relations program was further discussed and plans made to stimulate the local drive. The bill in Congress to keep control of insurance with the states was brought up and members urged to contact their representatives in Congress.

The newly elected president has been in the insurance business nearly 20 years. He was born in Milwaukee in 1896. He attended the University of Wisconsin and served as a second lieutenant in the former world war. Mr. Clayton joined the Russell agency in 1924 and was assistant manager of the bond department for three years before transferring to the casualty department. In 1929 he became manager of the casualty and surety bond department of Hackett, Hoff & Thiermann, and in 1931 vice-president of McCallum, Adler, Clayton & Nash. He reassociated with the Russell agency in 1932 and in 1937 was made vice-president. He is in charge of fire and allied lines. He is a former secretary of the Surety Underwriters Association of Milwaukee, served the Milwaukee Board for three years as a director and the last three years as vice-president.

Shaping Up Wisconsin Program Arrangements

MILWAUKEE—Final plans for the program of the annual meeting of the Wisconsin Association of Insurance Agents were completed here Wednesday afternoon, when President August Lutze, Sheboygan, met with members of the program committee. The opening session the first day, Oct. 28, will be confined to matters relating to the welfare of the association, including the consideration of certain constitutional amendments. The second day will open with a breakfast session, long a feature for round-table discussion of important problems at Wisconsin conventions. E. H. O'Connor, executive director of the Insurance Economics Society, will speak at the morning session. The public relations program of the National association, in which the Wisconsin association is cooperating, will be discussed, and reports made on the Pittsburgh convention of the National

association. Election of officers will conclude the program shortly after noon the second day.

Raihle Minnesota President

At the annual meeting of the Minnesota Association of Mutual Insurance Companies in Minneapolis, D. F. Raihle, Hardware Mutual, Minneapolis, was elected president. The vice-president is Hjalmar L. Hjermstad, Citizens Fund, Red Wing; secretary, A. J. Dahlstrom, Minneapolis.

Directors are: C. S. Laidlaw, Minnesota Farmers Mutual, Minneapolis; James E. Kidd, Mutual Implement & Hardware, Owatonna; S. T. Sager, Austin Mutual, Minneapolis, and the officers.

Mr. Hjermstad was elected as director to represent the association on the board of the National Association of Mutual Insurance Companies.

Turkey Loss Ratio 29%

ST. PAUL—Farm Owners Mutual, which has been issuing a large amount of turkey coverage this year, reports a loss ratio of 29% so far this season. The company has covered more than 2,000,000 birds in 30 states. W. J. McGladrey, president, said that normally the worst of the turkey losses are over by this time of year but there is always a possibility of a late storm such as the Armistice Day blizzard of 1940 which was so disastrous to turkey underwriters. The company is now working on a plan to insure turkey breeding stock and he is gathering data on which to base rates.

Endorse Fischer Coercion Move

DES MOINES—The Des Moines Association of Insurance Agents has adopted a resolution condemning the practice of some lending agencies in the state "coercively" requiring borrowers to take out insurance through the particular lending agency.

The resolution commended Commissioner Fischer, who recently denounced the practice and asserted the Iowa department would revoke the licenses of agencies that continue the practice.

Copies of the resolution will be sent to the commissioner and to the Iowa Association of Insurance Agents.

"Open House" at Faribault

FARIBAULT, MINN.—Local agents and field men from all southern Minnesota attended the "open house" meeting here Oct. 19 of the Southern and Southeastern Minnesota Agents Regional Associations. Several matters of timely concern to the business were discussed freely by both agents and company men.

Previous to the "open house" meeting the executive committee of the Minnesota Association of Insurance Agents met to map plans for the coming year.

Seek More Kansas Speakers

Edwin S. Nellis, Topeka, president, and Evan H. Browne, Jr., Kansas City, secretary of the Kansas Association of Insurance Agents, went on to New York following the Pittsburgh convention last week and were expecting to sign up some additional speakers for the Kansas convention in Topeka next week. Some of these are to assist Milton W. Mays, B. D. O. director, with his panel discussion on "Bridging the Commission Gap."

Wis. Mutuals Hold Regionals

MILWAUKEE—A series of one-day regional meetings to replace the usual two-day convention and insurance school in Milwaukee of the Wisconsin Association of Mutual Insurance Companies

is being held this week. Officers of the association, headed by Gary Kamper, Badger Mutual Fire of Milwaukee, president, are covering the circuit. Meetings were held at Beaver Dam Tuesday, Green Bay Wednesday and Sheboygan Thursday.

R. B. Jones Employee Paper

Because of the popularity of the service men's bulletin issued by K. C. Fire & Marine and R. B. Jones & Sons to 34 employees in the armed forces, it has been decided to publish a "home front edition" for the entire organization. The supplementary issue is called "Extended Coverage." Mrs. Nell Combs is the editor.

Urge Bailey-Van Nuys Bill

MILWAUKEE—The Milwaukee Board, through its legislative committee headed by L. C. Hilgemann, is circularizing its membership with copies of the Bailey-Van Nuys bill and calling attention to the importance of asking support of senators and representatives for its passage.

Girard to Speak at South Bend

Paul J. Girard, superintendent of the burglary department of Hartford Accident, Chicago, will discuss the residence and outside theft policy at a dinner meeting of the South Bend-Mishawaka Exchange in South Bend, Ind., Thursday.

NEWS BRIEFS

C. H. Elkins, assistant manager of Standard Accident, was guest speaker at the meeting of the Cincinnati Association of Insurance Women Tuesday evening. He discussed and presented slides on comprehensive liability.

Thomas Crowley, general claim adjuster of Wagner & Glidden, addressed the dinner meeting of the Insurance Women's Club of Detroit.

The Insurance Women of Akron at a dinner meeting Wednesday heard Chas. E. Slusser, candidate for mayor, on "Leadership."

Walter E. Heaney, superintendent of the casualty department of Hartford Accident in Kansas City, spoke at a dinner meeting of the Insurance Women of Lincoln, Neb. He discussed new methods and plans of writing workmen's compensation insurance.

The Sioux City (Ia.) Insurance Women's Association held a business meeting.

Tauno Lintala of the Mill Mutuals has been elected secretary of the Mutual Insurance Club of Columbus.

The Harres Martin agency, Atchison, Kan., escaped serious loss when a fire of undetermined origin caused about \$15,000 damage to the three-story building which it owns. Other occupants including a drug store and doctors' offices, were less fortunate.

Lieut. Elizabeth Berryhill of the WAC at the Topeka army air base spoke at a dinner meeting of the Insurance Women of Topeka.

Kansas City Fire & Marine will entertain agents at a buffet supper at Topeka, Kans., Oct. 27, preceding the convention of the Kansas Association of Insurance Agents. O. P. Rush, vice-president, and L. Earle Wilkins, comptroller, will represent the company.

Occidental Home Office Dinner

LOS ANGELES—The Occidental Club of Occidental Life will be host to all the home office staff at a dinner Oct. 28, to be followed by a mystery program. A. D. Anderson, superintendent of the accident and health department, is chairman of the committee in charge.

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IN THE SOUTHERN STATES

Waggaman Heads La. Rating Bureau

NEW ORLEANS—Eugene S. Waggaman, regional manager of Royal-Liverpool, group, was elected president of the Louisiana Rating & Fire Prevention Bureau at the annual meeting here. He succeeds A. J. Bolles, Aetna Fire, who has served for two years. E. R. Pope, Home, was named vice-president. In the absence of Maj. W. S. Bizzell in the service, no secretary-treasurer was named and Tom J. Hayes remains as acting secretary-manager. New directors are: James L. DeTreville, St. Paul; Marion B. Warren, America Fore, and Felix Perrilliat, Fireman's Fund. President Bolles and Acting Manager Hayes reviewed the activities of the bureau the past year.

Members of the Louisiana insurance commission were present and made brief talks. Commissioner G. Allen Kimball emphasized the importance of obtaining passage of bills now pending in congress to exempt insurance from the application of anti-trust laws. He said that should the supreme court reverse the Atlanta district court, which acquitted insurance companies of anti-trust charges never before applied, it would eventually result in federal supervision of insurance and the elimination of the agency system.

Florida President Would Remove Non-Board Ban

TAMPA, FLA.—President Frank D. Moor, of the Florida Association of Insurance Agents is urging local boards that have by-laws prohibiting membership to agents who represent nonboard companies to repeal such laws. He notes that neither the National nor the state association have such rules. That this is a part of the campaign for more commissions already under way is shown by the statement of Mr. Moor:

"In order to obtain increased commissions, it may become necessary to take some drastic action. I hope it will not become necessary but we may have to get our increased commissions from non-board companies before the S.E.U.A. companies are willing to grant them."

While this would not mean that all non-board agencies would be granted membership in local boards, Mr. Moor points out, it would remove the restrictive rules, and permit local boards to receive as members those agents that they feel would abide by good insurance practices, also Mr. Moor thinks it would remove any embarrassment to present members who might decide that it is good judgment to take on non-board representation along with their S.E.U.A. companies.

President Moor emphasizes, in another executive suggestion, the necessity of boards informing Florida members of Congress by resolution of the importance of supporting the Bailey-VanNuys bills. "We feel that this legislation is absolutely necessary to avoid chaotic conditions . . . if the federal Supreme Court should reverse its decisions of long standing that insurance is not commerce, and thus make the federal anti-trust laws applicable to the insurance business," he states.

The number of local boards assuming responsibility for collection of dues from members for the state and National associations has increased to eight.

Agents' Committee to Meet with S.E.U.A. on Commissions

The Southeastern Agents Conference committee to confer with companies of the Southeastern Underwriters Association on commissions, particularly contingent commissions, consists of F. D. Moor, Tallahassee, president Florida

Association of Insurance Agents; Thomas O'Berry, Goldsboro, past president North Carolina association, and E. H. Moore, Birmingham, state national director Alabama association. This committee was appointed by H. J. Haas, Atlanta, chairman of the agents conference, following a discussion of this subject at the conference session during the meeting of the National Association of Insurance Agents in Pittsburgh last week. It is expected that this group will confer with the S.E.U.A. group in the near future.

Dallas Women Are Active

The Insurance Women of Dallas met at dinner with Mrs. Ruth A. Fredde, president, presiding. Mrs. Maurine Pendery, president Forth Worth Insurance Women, was a guest. Seventeen new members were introduced by Miss Vera Keyes, membership chairman. Miss Elizabeth Van Gordon announced the next class in the educational program would begin Oct. 22, the subject being "Burglary and Plate Glass." Classes will be held Fridays at 6 p.m. The club is active in pushing war bond sales and Mrs. Fredde will serve Oct. 26 in the booth of the Dallas County Parent-Teachers Association under auspices of the Dallas county war finance committee.

Plant Fire Precautions Urged

NASHVILLE—Both Governor Cooper and Commissioner McCormack, addressing the annual meeting of the Tennessee Fireman's Association here, urged the adoption of an industrial fire prevention plan under which there would be a fire marshal in every factory capable of supervising fire prevention and collecting and preserving evidence in case of arson or sabotage. H. N. Witts, chief of the Knoxville office of the Tennessee Inspection Bureau, spoke on "The Value of Building Inspections."

Public Relations Quota 83%

LITTLE ROCK—Henry J. Ritgerod, manager of the Arkansas Association of Insurance Agents, has announced that pledges to Arkansas' quota of the public relations fund of the N. A. I. A. fund have passed the 83% mark.

The Arkansas association has issued a complete list of non-resident brokers, alphabetically arranged, as of Sept. 30. The list, prepared with the cooperation of the Arkansas department, has been sent to all member agents and distributed to all Arkansas field men.

Kinnett Agency Superintendent

B. P. Carter, manager at Richmond, Va., for a group of fire companies for Virginia and North Carolina, has appointed H. H. Kinnett agency superintendent. Formerly with Mr. Carter as chief examiner for some years, Mr. Kinnett for the last two years has been with the Virginia rating bureau as supervisor of personnel and statistician.

S. E. U. A. Semi-Annual Muster

The semi-annual meeting of the Southeastern Underwriters Association will be held at the Biltmore Hotel, Atlanta, Nov. 19. L. P. Jervy, southern manager of America Fore, is president and will be in charge.

Texas General Agents' Action

The Texas Association of Managing General Agents subscribed \$2,000 through the Texas Association of Insurance Agents to the public relations fund of the National association.

NEWS BRIEFS

R. A. Davis has become manager of the insurance department of G. S. Moore & Sons, Springfield, Tenn.

George Kline, Oklahoma manager of the Fire Companies Adjustment Bureau,



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addressed the Insurance Women's Club of Oklahoma City on "Fire Prevention as Viewed by an Adjuster."

Miss Ruth Hamilton, U. S. F. & G., has been elected president of the Insurance Women of Little Rock. Mrs. Virginia Erickson, Rather & Reyer, and Miss Irma Walker, Mortgage Loan & Insurance Agency, are vice-presidents;

Miss Betty Stute, American, N. J., secretary, and Miss Emma Carlington, Campbell, Mallory & Colvert, treasurer.

John G. Commons, **Hammon, Okla.**, sold his agency to Jack D. Webb, local agent there.

Woodman & Parman has bought the Gyles G. Martin agency of **Elk City, Okla.** They have been in business there more than 25 years.

PACIFIC COAST AND MOUNTAIN

Coast Boom Raises Question on Rental Form

Heavy increases in sales of commodities since the beginning of the war have focused attention upon the rental income forms used in Pacific Coast territories and has brought to light a deficiency in the protection afforded. Leases, particularly during pre-war and depression years, were often drawn providing for payment of a minimum rental by the tenant, plus a percentage of his sales. The value of such leases has in many cases now expanded beyond the wildest expectations. The need not only for increases in amount of protection, but particularly for coverage to follow the fluctuations in values has brought out an ambiguity in the forms prescribed for such reporting covers.

This provision specifies that the policy covers the actual loss of rental income (determined according to bona fide leases or agreements plus a fair rental value of any part occupied by the insured) "resulting from fire which renders such rented portions untenable." Construing this literally, unless the damage was of such severity as to render the premises wholly untenable, the insured would be denied any recovery under the policy.

Under the type of lease mentioned a small fire which might not render the premises "untenable" but which compelled the tenant to discontinue business while cleanup and restocking were being done would result in a definite loss of rental income to insured because of reduction in gross sales of his tenant, but would not be collectible as a loss under his rents policy. This type of occurrence is considered more probable under present crowded conditions in many cities where tenants are prone to hold their premises because of the

lack of any substitute quarters.

Insurers probably would place a liberal construction on their policies, but big buyers of rental income insurance, such as banks and trust companies, are reluctant to rely on an uncertainty, feeling that it should be established definitely as the intent of the insurance to protect against all rental loss arising out of fire or other insured peril. They maintain that since it seems obvious that the intent of the designers of the provisional form (and of the regular specific rental forms as well, which in this territory contain the same provision regarding untenability) was to provide complete coverage for loss of rental income, the objectionable wording "which renders such rented portions untenable" should be withdrawn from the forms. The contract without this wording would leave no opportunity for insured to collect anything unless he actually sustained a rental income loss, provable as provided in the form, and anything less than that seems manifestly unsatisfactory to buyers of this class of coverage. So amended, the form would permit recovery of loss through reduction in rental income resulting from the decrease in tenant's sales, whether insured under the reporting type of policy or specific forms, subject of course to whatever coinsurance requirement the policy contained.

Rocky Mountain Committees Meet in Denver

The supervisory committee of the Rocky Mountain Fire Underwriters Association met in Denver Wednesday to discuss various recommendations from field men, agents, and others, and the managing committee is meeting the following day. Members of the supervisory committee are E. A. Henne, vice-president and western manager of America Fore, chairman; A. F. Powrie, western manager of Fire Association; W. N. Achenbach, western manager of Aetna Fire, and Herbert L. Clark, vice-president and western manager of Firemen's, all of Chicago; Harold V. Smith, president of Home of New York; and J. C. Bunyan, Commercial Union; Ray Decker, Royal-Liverpool, and C. C. Hannah, president of Fireman's Fund, all of San Francisco. The managing committee consists of the same personnel as the supervisory committee with the exception of Mr. Clark, who is not on the supervisory group.

Cooper Leaves Cal. Dept.

LOS ANGELES—Grant B. Cooper, chief assistant insurance commissioner, is resigning from the California department and will join Loeb & Loeb, Los Angeles legal firm.

Green Is New Forum Head

SAN FRANCISCO — Thomas E. Green, Hartford Fire, was installed as president of the Fire Underwriters Forum Oct. 20. Cecil M. Jones, Hinchman, Rolph & Landis, is secretary; Percy F. Gardiner, Norwich Union, treasurer, and James A. Smith, Swett & Crawford, assistant secretary. W. T. Seawell, Jr., Interstate Underwriters Board, retiring president, was elected to the board. Installation was conducted by John T. Breckon of the Business Development Office.

The wide scope of public services rendered by the insurance business was ex-

plained in some detail by Jay W. Stevens, who has been connected with the fire defense division of OCD practically since it was organized. Frank J. Agnew, public relations counsel for the National Board, was chairman.

Resume "Pre-Flight" Classes

SAN FRANCISCO — "Pre-flight" training classes for newcomers into the fire insurance business, under the joint auspices of the Fire Underwriters Forum and Fire Underwriters Association of the Pacific, were resumed Oct. 16. The first lecture on company functions was presented by John T. Breckon, assistant director of the Business Development Office, mainly from the economic standpoint. Other lectures will be given by P. F. Gardiner, Norwich Union on policy and daily report writing; Thomas E. Green, Hartford, cancellations; Frank Brady, Fireman's Fund, maps and blocks, and Robert B. Masters, Security of New Haven, on the organization of an insurance company and its component parts.

Miller Santa Ana Speaker

Max Miller, deputy state fire marshal in southern California will address

the Orange County Association of Insurance Agents at Santa Ana, Cal., Oct. 25 on "Scientific Fire Prevention," with a demonstration.

New Portland Adjusting Firm

Henkel & Stotts, independent adjusting firm to handle all types of losses, has been formed at Portland, Ore., by Merle G. Henkel and Roy O. Stotts. Mr. Henkel has for many years operated his own company, adjusting principally casualty and miscellaneous losses. Mr. Stotts was for many years a staff adjuster with the Fire Companies Adjustment Bureau and gained recognition for his work with aviation and automobile losses. He heads the new firm's fire loss department. John Latta, Jr., who spent several years on the staff of the F.C.A.B. in Portland, has joined the firm, which is located at 520 Mead building.

Creates Insurance Reserve Fund

The city of Spokane, Wash., has enacted a new ordinance creating a cumulative insurance reserve fund designed to provide funds with which to pay insurance premiums on municipally-owned property and also to provide

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funds to repair property not insured.

The city recently accepted the recommendation of a representative committee of local agents and now carries blanket fire insurance on all of its buildings, except property owned by the park and library boards. Premiums are paid out of the newly-created fund.

Big Mill Loss at The Dalles

Insurance loss of about \$100,000 was sustained in a fire in the Kerr, Gifford & Co. flour mill at The Dalles, Ore. An 18-year-old boy, who said he had a grudge against employees of the mill because they ordered him off the premises, admitted setting the fire in a feed shed. It spread to adjoining warehouses before the alarm was given 50 minutes later and large quantities of grain and feed were destroyed. The boy was sentenced to seven years in the penitentiary.

Lectures on N. Y. Policy

SAN FRANCISCO—A series of five lectures to explain the 1943 New York standard fire policy will be conducted by Bert Levit, San Francisco insurance attorney. The lectures, starting Nov. 1, are under the auspices of the Fire Underwriters Association of the Pacific.

NEWS BRIEFS

C. J. Kaine, superintendent of the loss department of the Commercial Union group in New York, visited Los Angeles last week.

Mel Berbower has been named executive secretary of the Long Beach (Cal.) Insurance Agents Association.

Henry Carter, chairman of the U. S. board of Caledonian and president of Caledonian-American, visited the Pacific Northwest in company with Ralph P. Thornton of Balfour, Guthrie & Co., San Francisco, coast general agents for the companies.

Peter Gonzales, Las Vegas, N. M., has sold his agency to the Meadows Agency. The Willis Ford agency, Howell, N. M., has been reorganized following the recent death of Mr. Ford, and is now managed by Mr. Evans, who has been with the agency several years.

The Wescott & Christy agency, Kirkland, Wash., has been purchased by Raymond S. Parks, formerly of Kent, Wash., and has been renamed the Parks Investment Co. The agency was formerly operated by Bertha Hoelzle.

Leona Holland and E. L. Cochrane have formed the Kent Credit Bureau Agency, Kent, Wash.

Richard R. Severin, manager of the insurance department of Hawkins & Roberts, Salem, Ore., for seven years, will establish an agency there in his own name.

EAST

Rhode Island Card for Annual Muster

The Rhode Island Association of Insurance Agents has announced its program for its annual meeting to be held at the Crown hotel, Providence, Oct. 25. W. R. Johnson of Providence is president. In fact, all the officers of the state association come from Providence. W. A. Lester is secretary.

The program consists of three clinics starting at 4 p.m.: "Residence and Outside Theft," conducted by John P. Haug, burglary and robbery underwriter of American Surety, New York City; "The Latest Boiler and Machinery Policies," conducted by John H. DeWitt, consulting engineer boiler and machinery department of Royal and Eagle Indemnity, New York City, and "The New Workman's Compensation Rating Plans," conducted by John H. Egloff, supervisor of agency field service of Travelers.

The business meeting will be held at 5:30 p.m., followed by the annual dinner, at which the speakers will be Dr. Asa S. Knowles, dean of the school of business administration of Rhode Island

State College, and Averell Broughton, public relations counsel, National Association of Insurance Agents.

Massachusetts Agents All Set for Springfield Parley

The annual meeting of the Massachusetts Association of Insurance Agents will get under way at the Hotel Kimball in Springfield on the afternoon of Oct. 26 when an executive committee meeting will be held. The convention proper will start at the annual dinner that evening with President Paul J. Woodcome presiding. Speakers will be W. Ray Thomas, Pittsburgh, vice-president National association; Commissioner Harrington of Massachusetts, president of the National Association of Insurance Commissioners, and Howard P. Hildreth, advertising and sales promotion manager Mohawk Carpet Mills, who will discuss the "Four Freedoms and Private Enterprise."

Following a local board breakfast and discussion on Oct. 27 with C. Conrad Parker, Worcester, presiding, the general session will be held. President Woodcome and Arthur H. Clarke, secretary, will give their reports. E. H. O'Connor, executive director Insurance Economics Society, will speak on "What Price Social Security." "War Time Agency Problems" will be discussed by a panel of prominent agents.

In the afternoon "Residence and Outside Theft Insurance—A New Sales Champion," will be presented by William W. Ellis, field supervisor Aetna Casualty, and "Stop-Watching Your Business," by Laurence J. Ackerman, dean school of business administration, University of Connecticut. The resolutions committee will report and officers will be elected.

Giles Franklin County Speaker

GREENFIELD, MASS.—E. Stuart Giles, manager of the New England Fire Insurance Rating Association in Springfield, addressed the Franklin County Board on problems before the rating bureaus. The board is marking its 60th year.

MARINE

New Haven Loss Spurs Sale of Legal Liability Cover

The \$2,000,000 loss of the Yale Cold Storage Co. at New Haven, Conn., has centered the attention of inland marine underwriters on the fur storage line. The competition for furriers' customers business has been intense and it has been generally regarded as a desirable class of business. The rates have been driven down and the nonconference companies have been active in the field.

Whether the New Haven loss will breed more conservative underwriting remains to be seen. There have been a number of large losses during recent years in fur storage establishments although the New Haven loss apparently is by far the largest. When a fire starts in one of these warehouses it is hard to combat because of the absence of windows. It is necessary for the firemen to cut through heavy walls.

From a sales standpoint, agents are eager to learn whether the New Haven loss will provide a lesson in the value of legal liability cover for fur storers. Most of the furriers carry insurance that covers up to the amount of the receipt but others take a chance and do not buy legal liability insurance despite the fact that if they are adjudged negligent they are liable for the full value of the garment. Many customers will make a declaration of value of a garment that

will correspond to the minimum storage charge yet the garment may actually be worth considerably more.

About a year ago a fur storer got into a very embarrassing situation because he did not understand the limitations of his insurance which covered only the amount of the receipt. He thought he had insurance for the full value of the garments and the first customers that came in after the loss either got a cash settlement for the full value of their coat or a new coat of equal worth. His insurance company corrected him and then he began to settle on the basis of the receipt. The customers compared notes and found that those that had come early had done much better and he was in hot water. Complaints were made to the chamber of commerce and he had some unpleasant sessions.

Except for these occasional substantial losses, the furriers customers line is very profitable and the underwriter is likely to regard it as choice business and shave his quotations if he has not been one to have been caught in a large loss. Here and there an individual risk may have turned out poorly but that is usually attributable to a multiplicity of losses under the certificate part of the risk as distinguished from the storage portion where the furrier had been doing business with an inferior clientele.

Stoll with Hinton; Handles Marine for Commer. Standard

Henry C. Stoll, who handled the marine department of Millers National for 12 years prior to his resignation Oct. 1, has joined the firm of F. K. Hinton & Associates, Chicago, as a partner with Mr. Hinton. The name has now been changed to Hinton & Stoll.

The firm now is U. S. marine manager for Commercial Standard of Fort Worth, which has been licensed in more than 20 states for fire and marine business and is entering others.

Hinton & Stoll will handle nationwide marine operations for Commercial Standard for the present from the Chicago office. However, the firm has established an office in the home office of Commercial Standard at Fort Worth. The firm also represents Utah Home Fire for fire and marine in 12 central western states as western manager. It has reinsurance arrangements with Inter-Ocean Reinsurance of Cedar Rapids and with Gulf of Dallas, for marine only. It does a facultative reinsurance business, primarily on marine, as well as direct business.

Mr. Stoll was with Millers National 27 years, going with the company as office boy, and later becoming an examiner. He organized the inland marine department of Millers National.

Mr. Hinton established his own office in Chicago in 1941 with the Inter-Ocean and Gulf reinsurance connections, and with Stuyvesant, which it resigned Aug. 1, and later Utah Home.

Mr. Hinton was U. S. marine man-

ager for Northwestern National 10 years before entering business for himself. Previously for 12 years he was with the marine department of North America. From 1927 to 1930 he was state agent in Indiana, Kentucky, Tennessee for the North America group and then went to the northwest territory, where he managed the branch offices of the North America group for Wisconsin, Minnesota, North and South Dakota at Minneapolis and Milwaukee.

New Mich. Ruling on P.P.F. "Pickup"

LANSING, MICH.—A ruling clarifying procedure covering "pickup" insurance, replacing existing fire or extended coverage and fire contracts with personal property floater forms, has been issued by Commissioner Forbes. The P. P. F. form was made legal in Michigan by the last legislature, effective July 30, and many companies have been staging selling campaigns throughout the state, much of the business naturally involving credits for previous insurance in force.

Commissioner Forbes rules that "provisions of Rule 17 of the personal property floater manual requiring deduction of the unearned premium on existing fire and extended coverage insurance before computing credit for the attaching of a deductible clause on a personal property floater policy will not be considered mandatory by the department of insurance."

The ruling, it was explained, gives the companies the privilege of applying alternative methods of applying credits as the old contracts are replaced by the new floater forms.

The department is anticipating an early ruling from the Massachusetts department as to whether companies domiciled in that state will be permitted to write the P. P. F. in Michigan. Massachusetts is the only state from which a definite answer has not been received.

Hartford Marine Course

The western marine department of Hartford Fire recently started its annual course of marine lectures in the western department headquarters in Chicago. B. M. Draper, superintendent of the department; and Scott Fraser and W. G. Walther, assistant superintendents, are giving the lectures, which run from Oct. 14 to Feb. 3. They are given once every two weeks for the benefit of Hartford Fire employees.

I. M. U. A. Reduces Meetings

The Inland Marine Underwriters Association has discontinued its monthly meetings during the war due to the difficulties of travel and hereafter will hold a meeting once every two months except in the summer when they will be discontinued entirely. The next meeting will be Nov. 18.

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Dear Brother John

My model of a P 51 MUSTang is finished. is your fighter a mustang? I hope so I saw a swell movie about the air Force yester day.

Jeepers Id give my bike and airrifin airrifile and every model Id've ever built to be a pilot like you. Dad said all you pilots are fighting so us kids wont have to go to war when we grow up.

Dad says all of us at home must work hard so you will be proud of us when youve won the war The way we are proud of you

Mom says when we think we are working too hard we should just think of John's sacrifises.

I'm making plane models and colecting scrap and helping at the store on Saturdays. I'm going to be an air Raid Messenjer but I have got to be older.

I told the guys fellows about the jap helmet you have for me and how your leting me use your type writer while you are away and they say"boy are you lucky". I'm awful proud of you. Come home soon and teach me to fly.

your brother

Don

P.S. I bought another bond for \$18.75 from my savings



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